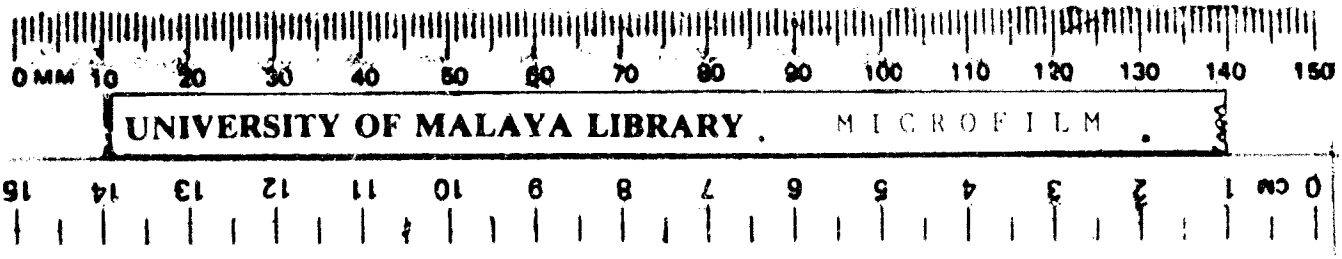

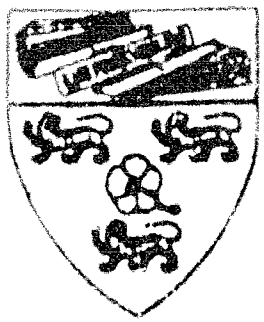

MULA

THE ECONOMIC EFFECTS OF THE SUBDIVISION OF RUBBER ESTATES IN THE DISTRICTS OF SEREMBAN AND PORT DICKSON STATE OF NEGRI SEMBILAN FEDERATION OF MALAYA

By

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CHAPTER I

INTRODUCTION

Briefing and Planning

On the 20th February, 1961, 13 Honours Students from the Department of Economics, University of Malaya in Kuala Lumpur, met and were briefed for a survey that was to be carried out with the following terms of reference:-

> To locate rubber estates over a hundred acres in the Federation of Malaya that have been involved or subjected to subdivision since 1950, and to study the economic and social effects of such subdivision.

The questionnaires required for the survey were drafted with the aid and guidance of Professor Ungku A. Aziz, Head of the Department of Economics, University of Malaya in Kuala Lumpur. (Refer to, Vol I, General Appendix III.)

Pre-testing of draft questionnaires was carried out in both the Land Office, Kuala Lumpur, where experience was gained in spotting cases of subdivision of estates from the records, and in actual subdivided estates in the Kuala Lumpur region. The field work commenced on 6th March, 1961.

This ~~[illegible]~~ field survey covered 2 districts in the State of Negri Sembilan - Seremban and Port Dickson. Information was gathered as to the extent of rubber land and the number of estates in the 2 districts concerned. Refer to Table 1.1.

Field Work

Field work in Seremban District was commenced on 6th March, 1961 and terminated on 1st April, 1961. The following is a breakdown of the survey:-

a) 6th March to 15th March, 1961. These 10 days were devoted to a general study of the Seremban District, and, as far as was possible, all subdivided estates were visited.

b) 16th March to 1st April, 1961. This period of time was entirely spent on a case study from the Seremban District, ~~the~~ Third Mile Estate.

~~Field work in Port Dickson District followed a similar~~

TABLE 1.1

EXTENT OF RUBBER LAND AND NUMBER OF ESTATES IN THE DISTRICTS OF SEREMBAN AND PORT DICKSON

District	Number of Estates	Acreage Under Estates
Seremban	76	76,266
Port Dickson	54	77,695
Total	130	153,961

Source: Rubber Statistical Handbook, 1959.

Field work in Port Dickson District followed a similar pattern:-

a) 2nd April to 12th April, 1961. A general study of the Port Dickson District was carried out.

b) 13th April to 1st May,, 1961. The Si Rusa Estate was chosen as the subject of a case study for the Port Dickson District and a survey was carried out.

A total of 56 days was spent on the actual field survey in both districts. During this period 56 current operators and 16 new owners were interviewed. In addition other persons involved in subdivision, such as lawyers, Government officials, managers of subdivided estates, etc., were interviewed.

Method

The first few days were spent in the Land Office. The District Officer and Assistant District Officer were interviewed and access was obtained to subdivision files. Unfortunately the method of filing the applications for subdivision was not conducive to the implementation of the survey.

Information was then collated on the number of subdivided estates, the total acreage involved and the location of the estates, and the data used to complete SdES 2 Forms. Once the estates had been located on-the-spot observations were made as to the condition of the factories, storage sheds, labour lines, etc., and listed on SdES 4 Forms. Current operators and new owners were then interviewed and information received was collated on SdES 1 Forms and SdES 3 Forms, respectively. (Refer to General Appendix III.)

Difficulties Encountered

During the course of the survey, several difficulties were encountered, the principal one being that of location. This not only included the actual location of the subdivided estates but also the location of tappers and new owners who, even when found, were often reluctant to divulge information because of a fear that this information might be utilised for Income Tax purposes.

Acknowledgments

The author wishes to express his gratitude to all those who have contributed in any way to the presentation of this Report.

Special thanks are due to Professor Ungku Aziz, Head of the Department of Economics, University of Malaya in Kuala Lumpur; The District Officer, Seremban; The Assistant District Officer, Port Dickson; The Commissioner of Labour, Negri Sembilan; The State Replanting Officer, Negri Sembilan; Miss Kamala Devi, Advocate and Solicitor and Manager of the Third Mile Estate; Mr. Yong Sze Ling, Advocate and Solicitor; Mr. Horsford, Manager of the Perhentian Tinggi Estate; Mr. Lee and Mr. Krishnan of the Labour Department, Seremban; Mr. Mackivacasam and Mr. Perrera of the Land Office, Seremban; The Chief Clerk of the State Replanting Office, Seremban; Mr. Soosay and Mr. Noel Emmanuel of the National Union of Plantation Workers (Seremban Branch), and to all the tappers and new owners without whose co-operation it would have been impossible to complete this Report.

Finally, I wish to thank Professor A. Beedle of the Department of Economics, University of Malaya in Kuala Lumpur, whose kind and constructive supervision has contributed tremendously to the presentation of this Report.

EXTENT AND PATTERN OF SUBDIVISION OF ESTATES IN SEREMBAN DISTRICT

CHAPTER II

A GENERAL STUDY - SEREMBAN DISTRICT

PATTERN OF SUBDIVISION
~~Trend and~~ Pattern of Subdivision

Prior to this field investigation and survey of the economic and social effects of subdivision, the only source of information available was the research carried out by 2 Economic Students[1], from the Singapore Division of the University of Malaya, and the National Union of Plantation Workers (NUPW).

This section will first deal with a comparison of the graduation exercise of one of the Economic Students in Singapore, the research work carried out by the NUPW and data obtained from field investigations. Comparisons will be made on the number of estates subdivided and the area involved and subjected to subdivision.

However, data obtained from the first 2 sources shows certain limitations. In the first place the graduation exercise only covers the period 1956 to the first quarter of 1959 and secondly, the NUPW data is entirely inadequate as only aggregates are known and the year of subdivision of the estates is not known. As such, inter-year comparisons and trend study is not possible. Table 2.1 is adapted from one contained in the graduation exercise which illustrates the pattern of subdivision in the State of Negri Sembilan. Table 2.1, however, only covers the District of Seremban; and certain other districts, contained in the original Table, have been omitted. This is done to permit comparability of data.

At this stage I do not wish to analyse the data contained in Table 2.1 since it can be better used as the basis for comparison with other information. In brief, however, it should be noted that in 1957, 4 estates, totalling 1,192.5 acres, were subdivided and in 1958, 3 estates, totalling ~~1,850.6~~ 658.1 acres, were subdivided. No instance of subdivision was recorded in 1959.

In other words, the graduation exercise reports a total of 7 subdivided estates in Seremban District, with a total acreage of 1,850.6 acres.

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[1] R. K. Namajiwalla and A. Degani, Patterns and ~~Extent of sub-division of~~ Trends in the Break-up of Rubber Estates, in the Federation of Malaya, October 1959

TABLE 2.1

SUBDIVISION OF ESTATES ~~IN SEREMBAN DISTRICT~~, BY NUKIM AND DATE, BY DATE SEREMBAN DISTRICT.

Year	No.	Location of Estate By Mukim	Total Acreage	No. of Subdivided Pieces
1957	1	Ampangan, Seremban	663.1	4
	2	Pantai and Ampangan	214.1	35
	3	Rantau, Seremban	102.0	5
	4	Rantau, Seremban	213.3	3
		Sub- Total	1192.5	47
1958	5	Rantau, Seremban	119.7	3
	6	Ampangan, Seremban	293.5	31
	7	Rantau, Seremban	244.9	25
		Sub- Total	658.1	59
		Total	1850.6	106

Source: R. Mamajiwalla, Patterns and Extent ~~of Subdivision~~ Trends in the Break-up of Rubber Estates, Table Ic, page 24.

The NUPW only recorded 4 estates as having been subdivided in the same district, whereas the field survey revealed that a total of 10 estates had been subdivided during the period 1956 to 1959. There were no instances of subdivision prior to 1956, or after 1959 to the first quarter of 1961. ~~The NUPW total is clearly an under-estimate since there is reason to believe that it also includes all the years under consideration in the field survey.~~

The total in the graduation exercise is ~~reasonable~~ acceptable as it covers only a limited period of time. But even within these totals there are discrepancies. From the graduation exercise it was found that 4 estates, consisting of 1,192 acres, were subdivided in 1957. My investigations revealed that 3 estates, with an acreage of 3069 were subdivided.. This may be explained by the fact that the subdivision files were not always ready on demand and despite repeated appeals to locate them, were finally unavailable. The likelihood is that the files were previously available but, due to misplacement, were not available at the time of my survey. It is clear, therefore, that the estates referred to in the graduation exercise are not the same as those found subdivided in the field survey.

However, the respective data for 1958 seems to be in line except that one case of subdivision could not belocated during the course of my field work. Three estates were recorded in the graduation exercise but only 1/2 in my field work.

A comparison of the various sources of information can be seen in Table 2.2.

TABLE 2.2

COMPARISON OF EXTENT AND PATTERN OF SUBDIVISION ON- THE BASIS OF THREE SOURCES OF INFORMATION, SEREMBAN DISTRICT

Year of Subdivision	Sources of Information					
	Field Survey		Graduation Exercise		NUPW	
	No. of Estates	Acreage	No. of Estates	Acreage	No. of Estates	Acreage
1956	1	300.8	-	-	n.a	n.a
1957	3	3069.3	4	1192.5	n.a	n.a
1958	2	432.5	3	658.1	n.a	n.a.
1959	3	2299.5	-	-	n.a	n.a.
1960	-	-	-	-	n.a	n.a.
1961 (1st quarter)	-	-	-	-	n.a	n.a.
Total	9*	6102.1	7	1850.6	4	4622.0

*One estate of 410 acres, for which the year of subdivision is not available, is not included in this total. (Note: The year of subdivision refers to the date of application for subdivision and not the date of completion of subdivison.)

Source: Land Office Files, Seremban.
Graduation Exercise by Mamajiwala, Table Ic.
NUPW File on Fragmentation.

The 4 estates recorded by the NUPW as having been subdivided totalled 4622 acres. If we take this as the index (100) then the other totals can be expressed as a percentage of this. The 7 estates located during the graduation exercise constitute 175% of the index (considering the number of subdivided estates) and the area of these 7 estates, 1850.6 acres, is 40% of the NUPW index. Obviously there is a discrepancy as the number of subdivided estates given in the graduation exercise is greater than that recorded by the NUPW (~~[illegible]~~) and yet the acreage is less. This

is probably due to the fact that different definitions have been used by the 3 sources as to the meaning of the word subdivision. My field survey shows that 10 estates were subdivided (250% of the index) and with reference to area, 6511.9 acres (counting the tenth subdivided estate for which the year of subdivision is not known) were subdivided. This is about 141% of the index.

Comparison of Subdivided Area and Total Area of Rubber Land in Seremban District

Ten estates (6,511.9 acres) have been subdivided in the Seremban District. There are in all 76 estates in this district, with a total area of 153,961 acres. The percentage of the total number of estates that have been subdivided is 13.2%. The percentage of the subdivided acreage to the total acreage is 4.2%.

It is very difficult to describe the trend of subdivision in the District as a whole, but on the basis of the data obtained in the district, it appears that 1957 is the peak year of subdivision in terms of the number and acreage of subdivided estates. Three estates, totalling 3,069.3 acres, were subdivided in 1957.

There has also been a decline in the extent of subdivision in later years. No instance of subdivision was record in 1960 or in the first quarter of 1961. This decline in subdivision in recent years has led one of the prominent members of the rubber industry[1] to maintain that subdivision is a process that is suffering from a natural death and as such there is no cause for alarm.

To date, only totals have been considered. It is desirable now to study the subdivision at a mukim level in order to see the pattern and results of subdivision.

Subdivision has taken place in only 3 of the 8 mukims making up the Seremban District. This is illustrated in Table 2.3. ~~(See also Appendix I.)~~

Rantau is the mukim in which subdivision has been the most intense. Four estates, involving 3,067.6 acres, have been subdivided in the period under consideration. Of these, 2 (1,166.3 acres) were subdivided in 1957. Another estate (1,180.5 acres) was subdivided in 1959. The date on which the fourth estate (409.8 acres) was subdivided is not available.

Two estates were subdivided in each of the mukims of Rasah and Ampangan. The areas involved vary with the size of the estate in that there was a total subdivided area of 2,710.9 acres in Rasah mukim (one estate was subdivided in 1957 and the other in 1959), whereas the 2 subdivided estates (one of which was subdivided in 1956 and the other in 1958) in the mukim of Ampangan only involved 514 acres.

[1] Interview with Mr. K.O.B. Horsford, Negri Sembilan Planters' Association, on 16th March, 1961.

TABLE 2.3

SUBDIVISION OF TEN ESTATES IN SEREMBAN DISTRICT BY MUKIMS

Mukim	No.	Name of Estate	Acreage	No. of Pieces
Rasah	1	Victoria Malay Estate	808.0	49
	2	Third Mile Estate	1902.9	146
		Sub-Total	2710.9	195
Rantau	3	Bukit Benar Estate	409.8	29
	4	Ribu Estate	931.0	36
	5	Mambau Estate	1180.5	n.a*
	6	Takau Estate	311.0	41
	7	Temiang South Estate	235.3	25
		Sub-Total	3067.6	131
Ampangan	8	Ampangan Estate	300.8	31
	9	Seremban Ltd. Estate	213.2	22
		Sub-Total	514.0	53
Not Known	10	Sikamat Estate	219.3	4
		Total	6511.8	378
Average Size of Each Estate			651.2	37.8

*n.a. = not available.

Source: Land Office Files, Seremban.
State Replating Office, Seremban.

In terms of acreage, the mukin break-up shows a heavy concentration in the 2 districts of Rantau and Rasah. This concentration also shown in the Map showing the Extent and Pattern of Subdivision in Seremban District* which is based on Table 2.3.

*See Appendix I.

It is not my intention to imply that the data gathered during my field survey is absolutely accurate and devoid of errors. The most reliable source of information on subdivision has been that collected by the Land Office in Seremban in response to a letter from the Commissioner of Lands in Kuala Lumpur, dated 23rd May, 1960. In order to fill in the details on the questionnaire, the files in the Land Office had to be closely studied and a list of the estates subdivided sent to the Commissioner on 20th June, 1960. It is this list that I have used as my main source of information during the field survey

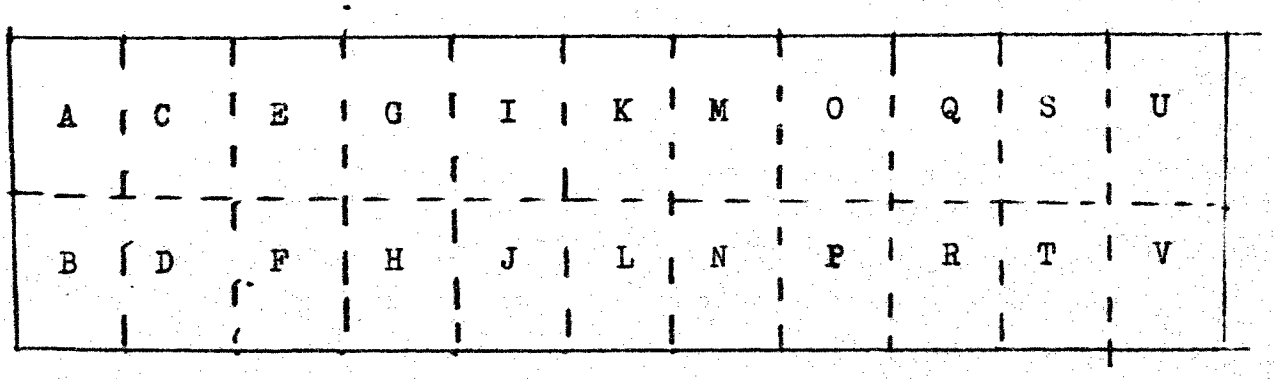
As the survey progressed it was found that certain cases of subdivision, recorded in the Fragmentaion Files of the State Replanting Office, Seremban, had been omitted from the data provided by the Land Office. In all, 5 estates, (3,862 acres) have been recorded by the State Replanting-Office as having been subdivided.

In view of this, ~~therefore,~~ I wish to clarify the point that although the Land Office data used here is not as reliable as it should be I have, whenever possible, with the help of information from other sources (including the State Replanting Office, the Labour Department, lawyers, etc.) made adjustments for any errors. This has improved the accuracy of the data in this study.

TYPES OF SUBDIVISION

Primary Subdivision

In the first instance we speak of primary subdivision which is the most frequent form of subdivision encountered in the district. This occurs when an estate is sold to various new owners, usually not related to the seller(s) of the estate. The process can be best clarified with the use of a sketch. Seremab Limited Estate, of about 213 acres, has been taken as an example. There was originally one owner who decided to sell the entire estate. He found the prospective buyers and partitioned the land according to the size of each piece to be sold.



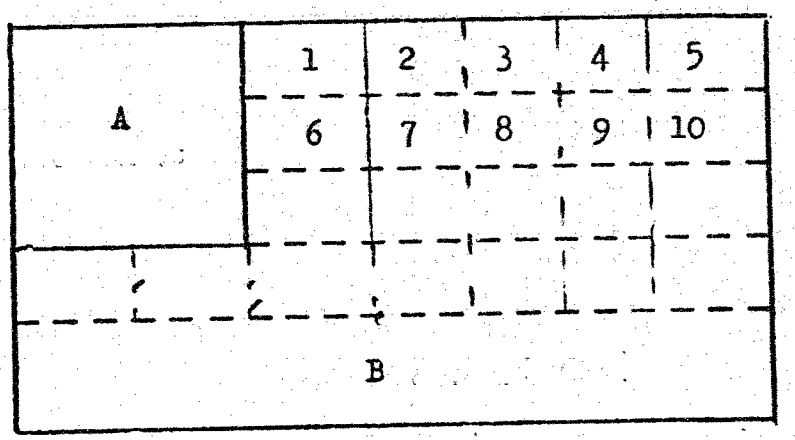
Estate of 213 Acres

In the above sketch the estate was subdivided into 22 pieces, numbered A - V, and sold to various new owners. The estate was, therefore entirely subdivided and all the pieces owned by people other than the previous owner. Incidentally, in some instances a single owner may also own several pieces (for example piece A and piece B) and another owner may own pieces E, F and G. However, the type of new ownership is not important.

From the above, it can be seen that primary subdivision is a process whereby an entire estate is subdivided, for the first time, into a number of small pieces.

Partial Subdivision

The Third Mile Estate has been taken as an example of partial subdivision. The owners of this estate of 1,900 acres, prior to subdivision, wished to sell only part of the land and keep the remaining 680 acres. This portion is seen as "A" in the sketch below. The rest of the estate was then subdivided into a number of pieces (141 pieces in all) and sold to 113 new owners.



Estate of 1,900 Acres

'A' - is still under old estate management.

'B' - is subdivided into 141 pieces owned by 113 new owners.

Section 'A'
~~The former estate~~, has preserved all ~~its~~ the characteristics of the former estate. The only change is in the size of the operating unit. Whereas, prior to subdivision, it was 1,900 acres, the operating unit is now 680 acres. The functions of management are still performed by the same rubber company.

Section 'B' was subdivided and the new owners became managers. The ownership of pieces 1, 2, 3, etc., is such that one new owner may own piece 1 as a smallholding, another owner may purchase several pieces (i.e. pieces 2~~xxx~~ and 3, or any other combination), but the ownership of the pieces is recorded on a Certificate of Title in the name of an individual owner.

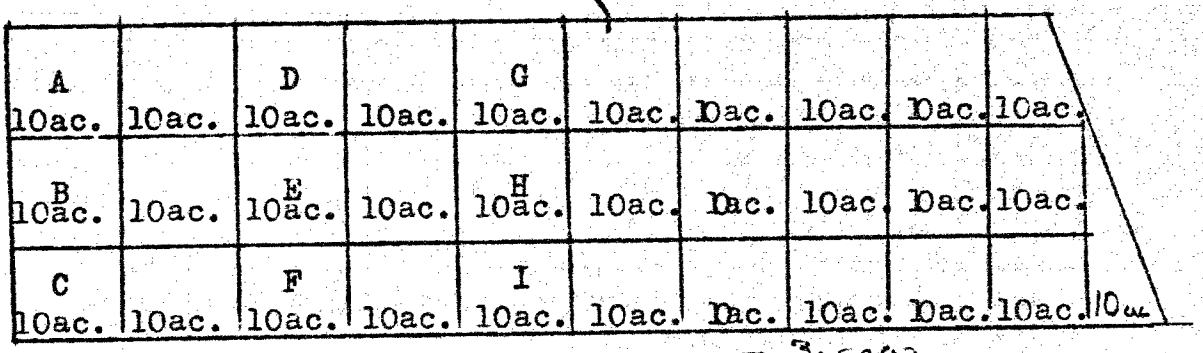
Similarly, Section "A" is covered by one or more Certificates of Title.

Partial subdivision, therefore, is a procees by which part of an original estate remains and functions effectively as an estate while the other portion is subdivided into smallholdings.

Pseudo Subdivision

There have been 3 instances of pseudo subdivision in Seremban District. The physical partition of an estate subdivided in this manner takes place in the same way as primary or secondary subdivision but is distinguished by the type of new ownership.

For example, Ampangan Estate, of about 300 acres, was subdivided into 31 pieces. Although there had been a legal transfer of title from one name to another there was no transfer of real ownership, which still remained with the previous 2 principal owners. It is evident that the titles were transferred to family members by an interesting process of name combination whereby, on paper, one single owner or combination of new owners owned more than one piece of land.



Estate of 300 acres

A is owned by Wong Lai
B is owned by Wong Kow
C is owned by Wong Loong
D is owned by Wong Lai and Wong Kow
E is owned by Wong Kow and Wong Loong

To illustrate, in the above diagram piece "A" may be under the name of Mr. Wong Lai, piece "B" under the name of Mr. Wong Kow and piece "C" under the name of Wong Loong (all members of the same family). The names on the title to piece "D" may be Wong Lai and Wong Kow in combination; piece "E" may be in the names of Wong Kow and Wong Loong, etc. A whole range of combinations of this sort can be worked out but, in fact, although there are so many titles in the names of different persons, there is only one actual owner and he is usually the head of the family.

Although the above case is authentic, the names have been changed to preserve the anonymity of the new owners.

The question that now arises is "Why do people subdivided their land in this fashion?"

From observation it seems that the answer lies in the replanting grants available under Fund B (the Replanting Scheme for Smallholders).

If an estate is replanted, the owner(s) is entitled to a replanting grant of $400 per acre for an area of not more than one-third of the total estate acreage. This grant is given under the auspices of Fund A - Replanting Scheme for Estates (i.e. for rubber land of 100 acres and above in extent).

The owner(s) of a smallholding of below 100 acres is entitled to receive a grant of $600 per acre and if the holding is below 10 acres (as in the case of the subdivided Ampangan Estate) the smallholder is entitled to replant the whole of the 10 acres. The only stipulation for receipt of the grant is proof of ownership in the form of a grant or title to the land.

Thus, if the owners of the original Ampangan Estate had replanted under Fund A they would have received $400 per acre for a maximum area of 100 acres. But, as the estate has been subdivided into 31 pieces of about 10 acres each, the owners can now obtain $600 per acre and are entitled to replant the whole of each holding, i.e. the 31 pieces or, in other words, the entire "estate" of 300 acres. In this way the owner receives about $186,000 which is considerably more than the $40,000 he would have received under Fund A had the estate not been subdivided, in which case he would only be entitled to replant one-third of the acreage permissible under Fund B.

This practice is not common in Seremban Distirct but my colleague, Mr. Mak Tian Meng found that it is a common form of subdivision in Malacca District.

Therefore, through the process of pseudo subdivision, larger replanting grants are obtainable and the acreage actually replanted is increased three-fold. The cost to the Government, however, is also considerably increased,

SIZE OF SUBDIVIDED PIECES

There is a definite pattern in the subdivision of estates in relation to the size of subdivided pieces. This is shown in Table 2.4 and presented as an accumulated frequency distribution in Figure 2.1. in which the X-axis shows the size of the subdivided pieces by acres, ranging from 1 to 12 acres and over and the Y-axis shows the percentage of pieces which fall under a certain class acreage.

TABLE 2.4

DISTRIBUTION OF SUBDIVIDED PIECES BY SIZE, DISTRICT OF SEREMBAN

Size of Piece (Acres)	No. of Pieces	Percentage of Total	
1	2	0.9	0.9
2	3	1.3	1.3
3	2	0.9	0.9
4	7	2.9	3.1
5	38	16.9	17.0
6	8	3.6	3.6
7	9	4.0	4.0
8	15	6.7	6.7
9	38	16.9	17.0
10	81	35.7	36.2
11	2	.9	0.9
12	2	.9	0.9
Above 12	17	7.6	7.6
Total	224	99.2	100.1

Source: Subdivision plans for 4 estates on which data is available. The estates are - Temiang South Estate, Seremban Limited Estate, Ampangan Estate and the Third Mile Estate (case study for Seremban District).

The first point to notice about the cumulative percentage distribution of the pieces is the 3 stages of growth.

The percentage of pieces below 4 acres is small. At 4 acres the cumulative percentage is only 6.2; there is then a sharp rise to the 5-acre class, in fact a jump of 17.4, making the percentage of pieces under 5 acres to be 23.2. A slow growth is evident from the 5 to 8 acre limits, but when the cumulative percentage reaches

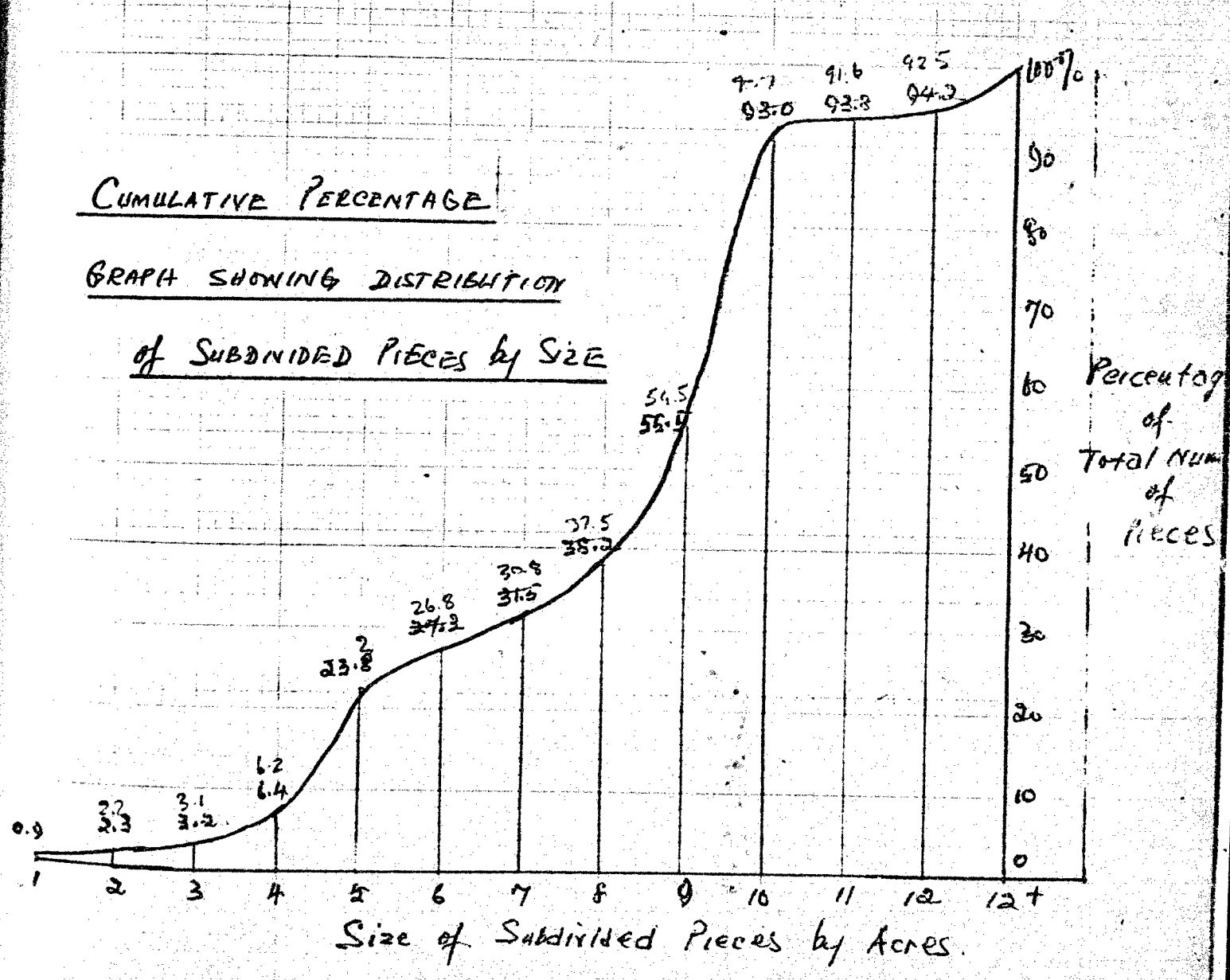


FIGURE 2.1

CUMULATIVE PERCENTAGE GRAPH SHOWING DISTRIBUTION OF SUBDIVIDED PIECES BY SIZE, DISTRICT OF SEREMBAN

there is another jump, at the 9-acre class, of 17.4% to 54.5%. The greatest rise of 37.5% takes place from the 9 to the 10-acre class. This shows the intense concentration of subdivided pieces below the 10-acre group, after which there is a slow but steady growth until the limit of 100% is reached.

The cumulative percentage, therefore, shows concentration of subdivided pieces in the 5-acre class where, in absolute numbers, there are 38 pieces. The 9-acre class has the same frequency distribution, but the 10-acre class has the greatest number of pieces, that is 81.

In absolute terms there are about 203 pieces (93%) of 10 acres and under in size. Thus a definite pattern of subdivision arises in that the resultant pieces are usually of 10 acres or less because it is easier to sell land of such areas, particularly as an owner of such a piece is eligible to receive a replanting grant of $600 for each of his 10 acres to be replanted.

PRODUCTION

The information contained in this section is a general study of the district and excludes the case study. Eleven operating units were investigated, one of which was a replanted area and another under a supervisor or kepala who did no actual tapping. As such, these 2 operating units have been omitted from calculations on yield, tapping methods, processing, etc.

Yield

The actual yield of the trees varies with the age and with the type of tapping practised. Generally the older the tree the lower the yield. Taking the district as a whole, the yield varies from 2.0 katis per acre per operating unit to 7.5 katis per acre per operating unit. The yield naturally varies with the total area tapped but the average total yield from each tapper, ignoring the difference in [illegible], is 14.8 katis per day per tapping. The average yield per tapper per acre is about 3.8 katis per tapping. It should, however, be noted that the interviews were carried out during the wintering season, i.e. when the leaves of the trees are falling, with a consequent decline in yield. As a result the figures shown are an understatement and it is possible that the average monthly yields are somewhat high if taken over a whole year, although by how much it is not possible to ascertain.

Systems of Tapping

It can be quite definitely stated that the most common method of tapping in this district is the alternate day system. On this principle a tapper divides his tapping area into 2, works one half on one day, and the other half on the second day. Therefore, if a tapper operates an area of 10 acres, he will tap 5 acres today, and the other 5 acres tomorrow. The alternate day system of tapping is considered to be the best as it does not adversely affect the

yield, in fact it gives the trees time in which to recuperate and possibly increases the yield.

TABLE 2.5

TAPPING SYSTEMS ADOPTED ON SMALLHOLDINGS, DISTRICT OF SEREMBAN

Tapping System	No. of Operating Units	Remarks
Non-Tapping	1	Replanted
Once Daily	2	Slaughter tapping
Twice Daily	-	-
Alternate Day	7	-
Other Systems	-	-
Total	10	-

Note: One operating unit, supervised by a kepala who does no tapping, has been excluded.
Source: BdES 1 Forms.

As can be seen from Table 2.5, of the 11 cases investigated, 7 used the alternate day system of tapping, whereas 2 used the once daily system. The latter is used when the trees are very old, as is the case in these 2 units where the trees are between 40 and 50 years old and no longer an economical proposition to tap. This system of daily tapping enables the tapper or owner to derive the maximum return from the trees in the minimum period of time. Since the trees are old there is little point in maintaining them - it is far better to gain a maximum yield by slaughter tapping, then fell the trees and replant the whole area. The owners of the 2 units under discussion have decided to replant and since the age of the trees does not facilitate increased production the only alternative is to slaughter tap and gain the most out of the situation. This procedure seems to be common practice in this district but only on units where the trees are old and uneconomical for tapping. There need be no fear that smallholders generally would indulge in slaughter tapping.

No tapping is carried out on one operating unit. This is due to the fact that the whole area has been replanted and the trees are not old enough to permit tapping. The owner revealed that prior to replanting he had also indulged in slaughter tapping.

Processing of Rubber

In discussing the question of processing, I would like to include not only the coagulation of the latex, but also the pressing and smoking of the sheets and the costs involved. In all the cases investigated the tappers perform all ~~the processing~~ functions except that of smoking the rubber. The absence of smoking is due to the lack of facilities for smoking on ~~the~~ smallholdings. If an owner desires to have his rubber smoked he usually sends it to a private business concern, which charges him a rate for the use of the smoking facilities. In certain cases the tapper may have to take the sheets to the smokehouse himself and in others the owner of the holding may collect and transport the rubber.

Thus a tapper's job is often extended to include tapping, coagulation of the latex with ~~the use of~~ acid paid for and provided by the owner of the holding, and finally the pressing of the sheets before sending them to be smoked.

The tapper usually performs the processing functions in a small hut in which is housed all the various implements required for processing. These include pans for coagulation, acid, filters to clear the latex of dirt and various kinds of mangles or presses. If the tapper lives on the holding he usually does the processing in his ~~own~~ house.

Smoking of Rubber

There appears to be a diversity in the practices followed for smoking the rubber. Information is only available for 9 units, 2 of which have no smoking facilities. After the processing is completed the sheets are dried in the sun and finally stored in the house until the owner comes to collect them for marketing.

Some of the tappers interviewed do not know the actual costs of smoking because the owners come to the holdings and personally take the unsmoked sheets to the smokehouse. Usually a fee of $2.50 is charged by the smokehouse for every picul ~~(100 katis)~~ of rubber smoked. ~~This is equivalent to~~ 2.5 cents per kati.

The manager of the smokehouse keeps a record of the weight of the rubber sheets sent in for smoking. Every time the smallholder brings in the unsmoked sheets he is given a receipt stating the weight of the rubber and the cost of smoking. At the end of each month a bill is sent to the smallholder. Once the bill is paid the smallholder is entitled to market his sheets or may even use the smokehouse manager as a selling agent.

From all the field interviews carried out, I was only able to find one instance of a smallholder smoking his own rubber in his own smokehouse. Usually the smallholder is unable to smoke his own rubber because of the lack of smoking facilities on his holding. The one instance quoted above refers to the subdivided estate of Si Rusa in Port Dickson District. This is the subject of the case study and will be discussed in more detail in the relevant chapter.

The owner pays for the expenses of processin , he provides the acid for coagulation, the pans in which coagulation is carried out, the mangles and other implements. He also provides the transport for taking the sheets from the holding to the smokehouse and from the smokehouse to the dealer and pays for the cost of smoking.

Condition of Trees

The actual condition of the trees depends on their age and the attitude of the owner towards replanting. The owners of old trees, i.e. those of 30 years and over, know that it is not economical to maintain and upkeep such trees with fertilisers and artificial stimulants in an attempt to increase the yield. Instead the owner indulges in slaughter tappin and tries to get a maximum return in a short period of time. This gives him some financial resources to help tide him over the period of replanting and during the time when the trees are maturing when he will have to depend on other sources of finance for his livelihood. When the trees are literally drained of their latex, the owner cuts them down and starts replanting, after receiving a grant from Fund B.

From personal observations during the course of the survey, I found no instance of a smallholder slaughter tapping young, economical trees. It is true, however, that maintenance and upkeep of trees in the subdivided units has deteriorated when compared with that in estates prior to subdivision. Fertilisers and stimulants are seldom used in smallholdings.

Quality of Rubber Produced

An analysis of SdES 1 Forms completed by current operators shows that the quality of rubber produced is poor when compared with that produced on the estates prior to subdivision. At the present time Grade 2 rubber is produced on smallholdings. This is due to the relatively careless methods of processing. Dirt often gets into the coagulating pan and consequently the quality of the rubber is affected, even though the sheets may be smoked as in certain cases. In 2 instances owners are able to produce 50% Grade 1 and 50% Grade 2; Grade 2 rubber is produced in 3 instances and Grade 3 in another 3 instances; one owner is able to produce 50% Grade 2 and 50% Grade 3: none of the operating units investigated in the district study produces Grade 4 rubber. When sheets are not smoked they automatically fall into a Grade 3 category.

Scrap Rubber

Scrap rubber is collected by the tapper every morning before he makes a new cut for the day. In the instances of the smallholder being an owner operator he takes all the scrap for two reasons. First it makes good fuel for starting fires in the smallholder's home which eliminates the necessity of his having to buy coal or kerosene, and secondly the scrap can be sold to a dealer. In one case it was discovered that the owner sold his scrap at the rate of about 40 cents per kati. This however depends largely on the current price of rubber; if the price of rubber is high, then the price of scrap also rises.

The hired tappers usually share the scrap with the owners on a bagi dua system by which the tapper takes half of the value of the scrap after it has been sold by the owner. In some cases the tapper takes the physical scrap for fuel, as related above, while in others the monetary value is taken. But whichever system of payment is used, the tapper receives half and the owner takes the other half of the scrap collected.

Another system of scrap payment is also utilised. By this method the tapper receives a direct payment for the extra work involved in collecting the scrap and is paid a fixed rate per kati by the owner when the latter collects the rubber sheets. In one of the cases investigated the tappers receive 20 cents per kati while in another they receive 25 cents per kati for all scrap collected.

LABOUR AND EARNINGS

Labour Situation

I have attempted in Table 2.6 to show the number of people in households by ownership status, i.e., whether they are members of a household belonging to an owner operator or whether the tappers are hired labour (non-owner operators). No definite conclusion can be arrived at from the Table because of the scanty information available and because the frequency distribution is so scattered. There seems to be no statistical significance in the data provided but it does serve to show a great disparity in the number of individuals in each household.

Neither of the owner operators use hired labour, but both use family labour. This is general practice on the holdings of owner operators.

In certain instances other hired labour is also employed to assist the ordinary tappers. This is understandable if the piece involved is too large for one single operator to tap in one day. There were 4 such cases in the units investigated. In one of these the tapper is helped by his son of about 9 years of age who collectes the latex as his father taps the trees: the wife works on an adjacent piece owned by the same owner, but she is paid a wage by the owner of the subdivided piece. In the other 3 instances the tappers are assisted by hired workers, not family members, paid or unpaid.

Of the remainder, who are not helped by hired workers, one is assisted by unpaid family labour while the other is assisted by 2 members of his family who are paid by the owner of the smallholding.

Wages and Income

From calculations made on the wages received by 9 operators there seems to be a general indication of a rise in both the absolute and average amounts received. In 2 instances there has been a decrease in wages received since subdivision; in another case,

TABLE 2.6

OPERATORS' HOUSEHOLD POPULATION IN SEREMBAN DSITRICT

Adult Males	Adult Females	Children	No. of Instances		
			Own Account	Non-own Account	Total
1	-	-	-	3	3
-	1	-	-	1	1
1	1	1	-	1	1
1	1	2 - 4	-	-	-
1	1	5	-	-	-
1	2	any	-	-	-
2	1	any	-	1	1
2	2	any	-	2	2
3	1 - 2	any	2	1	3
3	3	any	-	-	-
		Total	2	9	11

Note: A child is any person under the age of 15. Those of more than 15 years are counted as adults.
Source: SdES 1 Forms.

a tapper, who is still working on the same estate as prior to subdivision, have remained at the same level. The other cases illustrate increases in the wage rate. In fact, on an average, taking into account those ~~have~~ have experienced a decrease in earnings, the average has risen from $102 per month to $125 per month. However, ~~this does not imply~~ that the wages of hired workers have risen as a result of subdivision, ~~but there are some instances of this occurring~~ (~~Refer to~~ See Table 2.7.)

The study of the incomes of owner operators poses a problem. The case is straight-forward: prior to subdivision the owner operator earned about $100 a month and at the present time he has an income of between $400 and $500. From the point of view of comparison, however, this data is not really valid because it is not possible to ascertain whether the $100 per month earned before subdivision was his individual income or his family income, whereas the $400 - $500

TABLE 2.7

COMPARISON OF THE MONTHLY INCOMES OF CURREIT OPERATORS BEFORE AND AFTER SUBDIVISION IN THE DISTRICT OF SEREMBAN

Wages per Month (Dollars)	Own Account		Non-own Account	
	Before Subdivision	After Subdivision	Before Subdivision	After Subdivision
80 and below 100	1(a)	-	3	1
100 " " 120	1(b)	-	3	4
120 " " 140	-	-	3	-
140 " " 160	-	-	-	4
160 and above	-	-	-	-
Total	2	-	9	9

(a) This owner operator has no fixed source of income since subdivision. He has a fish pond and a vegetable garden in which he cultivates food for home consumption and market.

(b) This owner operator is earning between $400 and $500 monthly on his own holding.

Source: SdES 1 Forms.

definitely refers to his family income. As a result of this lack of information it is not possible to say whether family income has risen, fallen or remained constant since subdivision.

For the owner operator the situation is even more complex. An interview with one revealed that he had earned $90 per month before subdivision but again we do not know whether this sum constituted his personal or family income. He has now entirely replanted his small-holding (of about 9 acres) and the trees are not sufficiently mature for tapping. Therefore this owner opeator has no real source of income at present. However, he has a small plot of land cultivated with vegetables grown for home consumption and for market. This enables him to make a meagre living. In addition he has built a fish pond and rears fish for marketing. In this way the farmer does not have to rely on rubber entirely as a source of income, and even when his trees have reached maturity he will not be completely dependant on rubber, and even if rubber prices do fall the famer will be able to maintain the samestandard of living that he enjoys at present.

Methods of Payment

The following information refers to hired workers and not to owner operators who have their own source of income and are not paid by another person.

TABLE 2.8

METHODS OF PAYMENT OF CURRENT OPERATORS, SEREMBAN DISTRICT

Method of Payment	No. of Cases
Piece rate	7
Bagi dua	1
Monthly wage	1
Total . .	9

Source: SdES 1 Forms

Of the remaining operators, the majority receive payments according to the piece rate system. There seems to be quite a coincidence in that the 6 tappers involved are all paid at the rate of 30 cents per kati of dry rubber sheets. This 30 cents per kati is based on the value of the rubber sheets processed and not on the latex content. This is a straightforward payment in that when the rubber latex is sold the tapper automatically receives 30 cents for every kati he has produced.

The mohthly wage system is yet another method of payment, but there is only one instance in which this method is used. The worker involved is an "old hand" and has been working on the same estate since before subdivision. Because of his age, the service he has rendered he has been given a supervisory job as a kepala on the holding and thus draws a monthly wage.

The bagi dua system of payment is used on units where the trees are old and consequntly produce little latex. If a piece rate were used it would have to be adjusted so, instead, the owner allows the tapper to tap as many trees as he can in one day, that is and to indulge in slaughter tapping. In this way the owner ensures a maximum return in the shortest possible time. The quantity of rubber tapped by the tapper is noted, and when sold, t e tapper receives half the value. This method induces the tapper to work hard since the more trees he taps the higher his income. However, this method of payment is only used when the trees on the holding are old and the long term policy is to replant. It should be noted that the bagi dua system is based on the value of the dry rubber content or the value of the rubber sheets when marketed.

Geographical

and Occupational Mobility of Labour

The labour mobility of the tappers involved has generally been between districts but within the State of Negri Sembilan. However, there are 4 instances of operators working in the same place, or at least the same mukim, as before subdivision. Three operators came from various parts of the District of Jelubu; one moved from Port Dickson to Rantau and another moved from Sememban town to the Third Mile Estate in the mukim of Rasah.

During the survey I was not able to detect any occupational mobility as a result of subdivision. The previous estate workers continue to work as tappers on the subdivided pieces. One operator, previously a vendor of foodstuffs and fruit in Seremban town, with no tapping experience, was employed by the owner of one of the subdivided pieces in 1959. Another owner operator was previously an electrician in Kuala Lumpur, but he is now working on his father's holding. However, neither of these instances can be said to be the result of subdivision.

Previous Experience of Labour

Table 2.9 indicates that most of the operators have had previous tapping experience. Of the 10 operators interviewed, the ex-foodstuffs vendor and ex-electrician had no former experience of tapping; 2 other operators stated that they could not remember for how long they have been tapping. One of these is aged 60 and the other 45. If we assume that the first has been tapping for 35 years and the other about 20 years (these are probably understatements rather than over-statemen s) and taking the other 6 operators into consideration, it would appear that, on an average, these tappers have had about 15 years of previous tapping experience.

TABLE 2.9

PREVIOUS EXPERIENCE OF LABOUR IN RUBBER FARMING

Years	Own Account	Non-own Account	Total
0 and below 5	1	-	1
5 " " 10	-	2	2
10 " " 15	-	2	2
15 " " 20	-	1	1
20 and above	1	3	4
Total	2	8	10

Source: SdES 1 Forms.

It was found that 2 owner operators have been working on the same piece of land since it was purchased about 2 years prior to the time of interview, and that 3 other operators have also been working in the same place. On the basis of this data and that given in the case study it can be generally stated that the operators have been working at their present place of employment for some time, at least not less than one year.

Application of Fungicides

The owners of smallholdings usually do not pay as much attention to the appli ation of fungicides as did the estate owners. However, fungicides are applied in some instances. In the case of absentee owners, the fungicides are usually applied by the tappers in addition to their usual tasks of tapping, processing and pressing. No extra payment is given for this service: the tapper is paid a wage inclusive of all these functions. Of the 9 absentee owners interviewed, only 6 have applied fungicides at one time or another while the other 3 have applied none since the acquisition of their smallholdings.

Only one of the 2 owner operators interviewed has applied fungicides, with the help of a hired worker paid especially for the job, since he acquired his holding. The other owner opertor has applied no fungicides to his holding since he purchased 2 years previously. This is a general trend for the degree of maintenance of trees and land is certainly not as high as it should be.

With regard to weeding, one owner operator makes use of hired labour while the other uses family labour. All other maintenance work, such as repairing roads, clearing drains and maintaining bunds is generally done by family labour.

The hired labourers, employed for weeding only, are paid by the owner of the holding. In 5 other instances the tappers are called upon to perform the function of weeding, as and when necessary, but they are paid for this service.

In 6 instances the tappers also give a hand in the general maintenance of bunds, roads and drains, but in 2 other cases no maintenance of any sort has been carried out. However, whether special labour is hired or the tappers themselves do the work, all the expenses of maintenance are borne by the owner of the holding.

Conditions of Work

Both owner operators live in their own houses; one in a new village close to the holding and the other on a holding adjacent to his own. The one who lives in the new village has such facilities as piped water and electricity provided, whereas the other has no such facilities. The latter lives in a small shack built by himself from attap and planks and he has to rely on well water and kerosene lamps. Although the cost of the house is less the facilities

practically non-existent. Prior to subdivision, before this operator was working for himself, he was provided with piped water, etc.

Much the same situation can be applied to tappers. One lives on the holding in his own house but has no facilities such as piped water or electricity, but neither did he receive such amenities before subdivision. This is also true of 2 other tappers who stated that they do not miss any facilities that they have never had. One of these 3 tappers lives on the holding in a house provided by the owner in as much as the owner provided the materials but the tapper did the construction work. ~~Afterwards he is allowed to~~ lives in the house free of rent.

Six tappers live in new villages close to the holdings on which they work. Piped water and electricity are available. They live in their own houses ~~and do not~~ pay ~~any~~ rent.

All, whether they be owner operators or hired tappers, have lost the benefit of medical facilities. There are no recreational facilities and the children have to attend school in either Seremban town or in a nearby village. There is no creche and very few co-operative stores.

Trade Union Membership

None of the ~~owner~~ operators is, or ever has been, a member of any union. (Refer to Table 2.10.)

E.P.F. Membership

One owner operator was a member of the E.P.F. before he acquired his land, but since being self-employed has ceased to contribute. The other has never been a member of the E.P.F. With regard to the tappers, 2 of the 9 interviewed formerly contributed to the E.P.F. but have withdrawn their contributions, but not their membership since subdivision. When asked why they have done this they state that they do not know the procedure and that anyway it is too much trouble. The average contribution before subdivision was $5 per tapper.

Technically the tappers are still members of the Fund but they do not contribute because, owing to different conditions of employment the employer is not obliged to bring his employees under the jurisdiction of the E.P.F. Ordinance. However, there are a few cases of tappers who were previously members of the E.P.F. and who still contribute to the Fund. These will be discussed later in the case study.

Generally speaking it can be said that once an operator starts working on a subdivided estate he no longer contributes to the E.P.F.

TABLE 2.10

COMPARISON OF TRADE UNION MEMBERSHIP OF CURRENT OPERATORS BEFORE AND AFTER SUBDIVISION

Whether or Not a Trade Union Member	Owner Operator		Non-owner Operator		Total	
	Before	After	Before	After	Before	After
Yes	-	-	-	-	-	-
No	2	2	9	9	11	11
Total	2	2	9	9	11	11

Source: SdES 1 Forms.

TABLE 2.11

COMPARISON OF E.P.F. MEMBERSHIP OF CURRENT OPERATORS BEFORE AND AFTER SUBDIVISION

Whether or Not a Member of the E.P.F.	Owner Operator		Non-owner Operator		Total	
	Before	After	Before	After	Before	After
Yes	1	-	2	-	3	-
No	1	2	7	9	8	11
Total	2	2	9	9	11	11

Source: SdES 1 Forms.

CAPITAL ASSETS

Three estates were visited in order to report on the condition of the permanent capital assets. One of these estates, which has only been partially subdivided, was studied from 2 angles, firstly the portion that has not been subjected to subdivision, and secondly the subdivided pieces. The second estate has been subjected to partial subdivision, as defined earlier, and has been investigated from the estate view point while the third estate has been completely subdivided .

The factories in the 2 partially subdivided estates are in good condition. In addition the estates have taken over the processing and smoking of some of the smallholders' rubber at a certain rate which varies from 2 to 3 cents per kati on one estate and 4 cents per kati on the other. There are no schools or creches on either of the estates nor any building that could be termed as a hospital. However, a visiting doctor does attend the sick on one of the estates and the really ill cases are sent to the General Hospital in Seremban, the expenses of which are paid by the estate owner.

There is no manager's bungalow on one estate while on the other it has been sold to a Chinese family who now live in it but are in no way connected with the estate.

Road maintenance, soil conservation, drainage, maintenance of bunds, etc., seems to be satisfactory.

Piped water and electricity are provided on the one estate whereas although there is a piped water supply on the other estate no electricity supply is provided.

Therefore it can be said that on the 2 estates that have been partially subdivided, but are still managed as estates, permanent capital assets are quite well maintained.

The other 2 cases illustrate what generally happens to the condition of permanent capital assets when an estate is subdivided. Of all the capital items on the subdivided pieces the only ones that seem to be in use and well maintained are the roads, drainage systems, soil conservation and bunds. These are usually maintained by each individual smallholder in respect of his own particular piece, but the roads, since they are used by all, are jointly maintained. This was illustrated when a tree fell across the road and blocked the way entirely in one part of the estate and the smallholders, of their own initiative, removed the tree by chopping it into pieces. This is done on a gentleman's agreement basis and no legal contract is involved.

The factories which are not generally in use are in a very dilapidated condition. In one instance the machines, rollers and coagulation tanks have been removed and all other facilities such as piped water and electricity have been discontinued since subdivision. There are no schools, creches or hospital of any kind and sometimes

t e manager's bungalow and staff quarters are no longer in existence. Generally it can be said that when estates have been wholly subdivided the permanent capital itmes thereon deteriorate to such an extent that they cannot be used ~~or are~~ become dilapidated or derelict.

MARKET STRUCTURE

In Seremban District all rubber is sold in sheet form by the owners of the holdings but in some instances by the tappers, or rather the kepalas of the subdivided pieces who market the rubber for their owner.

In all instances the owners sell their sheets to local dealers. The one owner operator always uses the same dealer, irrespective of the current market price and this dealer provides the transport for collecting the rubber sheets from the owner's house, where the sheets are stored until sufficient is accumulated for sale. This is usually done fortnightly or on rare occasions monthly. The same dealer also buys the scrap rubber at a rate ~~dependent~~ based on the current price of rubber.

The other owner operator has newly planted his holding and consequently does no tapping and has no rubber to market.

Only one absentee owner, interviewed during the course of the general study, used a fixed buyer for his rubber, regardless of the current price. The rubber is stored in a smokehouse at Rasah and when he deems it necessary the owner sends his lorry to the smokehouse to transport his smoked sheets to the dealer.

Six other owners depend to a large extent on the price offered by the various dealers. Three of these owners transport their own rubber from the place of storage, which may be the home of a tapper or even the owner's house, to the dealer with whom he is doing business. The means of transport varies with the quntity of rubber to be sold. When a small amount is involved a trishaw is commonly used, but if a large quantity is to be sold a lorry is usually hired for the purpose. All these expenses are paid for by the seller of the rubber.

In 3 other instances owners sell their rubber to different dealers depending on the price offered and they use the dealers' transport. One of these 3 sells his rubber as soon as it is pressed so no storage is involved. This seems to indicate a small number of sales.

One other owner sells his bubber but it was not possible to ascertain to which dealer.

Generally speaking it can be said that the owners personally collects the rubber from the places of storage before conveying it to the dealers. In addition to the rubber sheets, the owners sell their scrap rubber to the dealers. Unsually the tapper is given half the value price of the scrap rubber on the bagi dua system discussed

earlier. The amount a tapper receives under this method depends on the price of rubber, assuming that the quantity he produces remains constant. If the price is high he will earn more but he will suffer a loss if the price should fall.

OWNERSHIP

It should be borne in mind that in the following discussion the ~~actual~~ owners, other than owner operators, have not been interviewed. Both the owner operators use only family labour and are examples of single ownership with ~~only~~ one name on the title. In fact one of these owners did, at one time, rely on hired labour for the application of fungicides and weeding, buy only over a relatively short period. Usually an owner operator is the direct worker on his own holding.

If the names on the title are taken to be the actual owners then both these owner operators were tappers prior to the acquisition of their respective pieces of land. This land is their main source of income although one has extended his to include vegetable farming and fish rearing, both for market and home consumption.

The price of land varies and depends on the age of the trees and the location of the piece. One owner purchased a piece planted with old trees at $1,000 per acre where the other owner bought his piece of land which was planted with young trees, at $1,800 per acre. The choice of piece depends on the owner; if he thinks on a long term basis he may buy a few acres of old trees, slaughter tap for a period of time and when as much latex as possible has been derived, fell the whole area and replant with grants from Fund B to the extent of $600 per acre. This has been done by one of the owner operators. He applied for and recieved his replanting grant in June 1960 and since then has done all his own maintenance work with the aid of his family.

It is not known how much the respective absentee owners paid for their pieces of rubber land as they were not interviewed personally. The tappers on the holdings owned by absentee owners do not usually know the prices paid for the land and often do not even know the names of the employers.

In one instance, however, it was ascertained that the absentee owner [illegible] of a large piece of 190 acres, is a shopkeeper in Seremban town. Of the total area (this is no longer a smallholding as it exceeds the 100 acre limit), he has replanted 110 acres with the aid of grants from Fund B. This was made possible by the use of name combinations as described in the section dealing with pseudo subdivision. At the time of interview the remaining 80 acres were being slaughter tapped. As soon as the replanted area begins to mature, the trees subjected to slaughter tapping whill be felled and the area replanted so that eventually the whole area of 190 acres will be replanted with grants of $600 per acre. This is $200 per to be value

acre more than he would have received from Fund A had the total area been replanted as an estate instead of a number of smallholdings. By theprocess of ~~family "fragmentation"~~ the owner is able to replant a greater area [illegible] of land and at the same time receive a larger grant. The replanting material is provided and bought from official government sources and planted in a small plot adjacent to the labour lines. This is mainly budgrafting material and as soon as the trees are sufficiently mature the budgrafting is done by 5 men under the jurisdiction of a kepala. The operation of the estate, therefore, is divided into 2 units. One covers tapping and consists of 12 to 13 tappers under the charge of a kepala, while the other unit is concerned with replanting. The 2 units of operation are quite distinct and even the wages vary according to the type of work done.

Another holding is owned by a doctor who has also replanted part of his land. Because of the old age of the trees, slaughter tapping is current practice. The owner is not an absentee owner in the strict sense of the word because this doctor visits his holding every evening and carries out an inspection of the work done. He talks to the operators and sees that they are content and that they are doing the job well. As in the previous examples, only a part of the holding has been replanted, the rest is under slaughter tapping and the rate of payment is based on the bagi dua system whereby the tappers are paid half the valueof the sheets produced. The tappers are allowed to tap as many trees as possible because the area will be replanted in the very near future.

The procedure of land purchase has been discussed in general terms. In most cases the method of land purchase is in the form of a down payment, the rest being paid on an instalment basis within a certain period of time. Should an instalment not be paid then the deposit is forfeited. However, of all the cases investigated, there was no instance of a default in payment.

From the above it can be seen that some of the owners have taken advantage of subdivision in order to apply for replanting grants from Fund B, but to what extent it is not possible to ascertain as not all the cases have been investigated. However, of the estates visited, 3 have taken advantage of pseudo subdivision in order to obtain larger replanting grants to replant a larger area than would otherwise have been possible.

Before closing this discussion of ownership in the district as a whole I would like to mention the pattern of ownership according to the size of operating unit. This is illustrated in Table 2.12 which covers the district as a whole, i.e. it includes the case study, and therefore gives a more representative picture than if general study data had been used.

Table 2.12 accounts for 16 owner operators and 16 tappers. The fact that 16 of each have been taken is a mere coincidence but it does serve to give a better comparison. The total acreage covered is 323 acres, of which 169 acres (52%) fall into the own account group and 154 acres into the non-own account group. Thus, from

TABLE 2.12

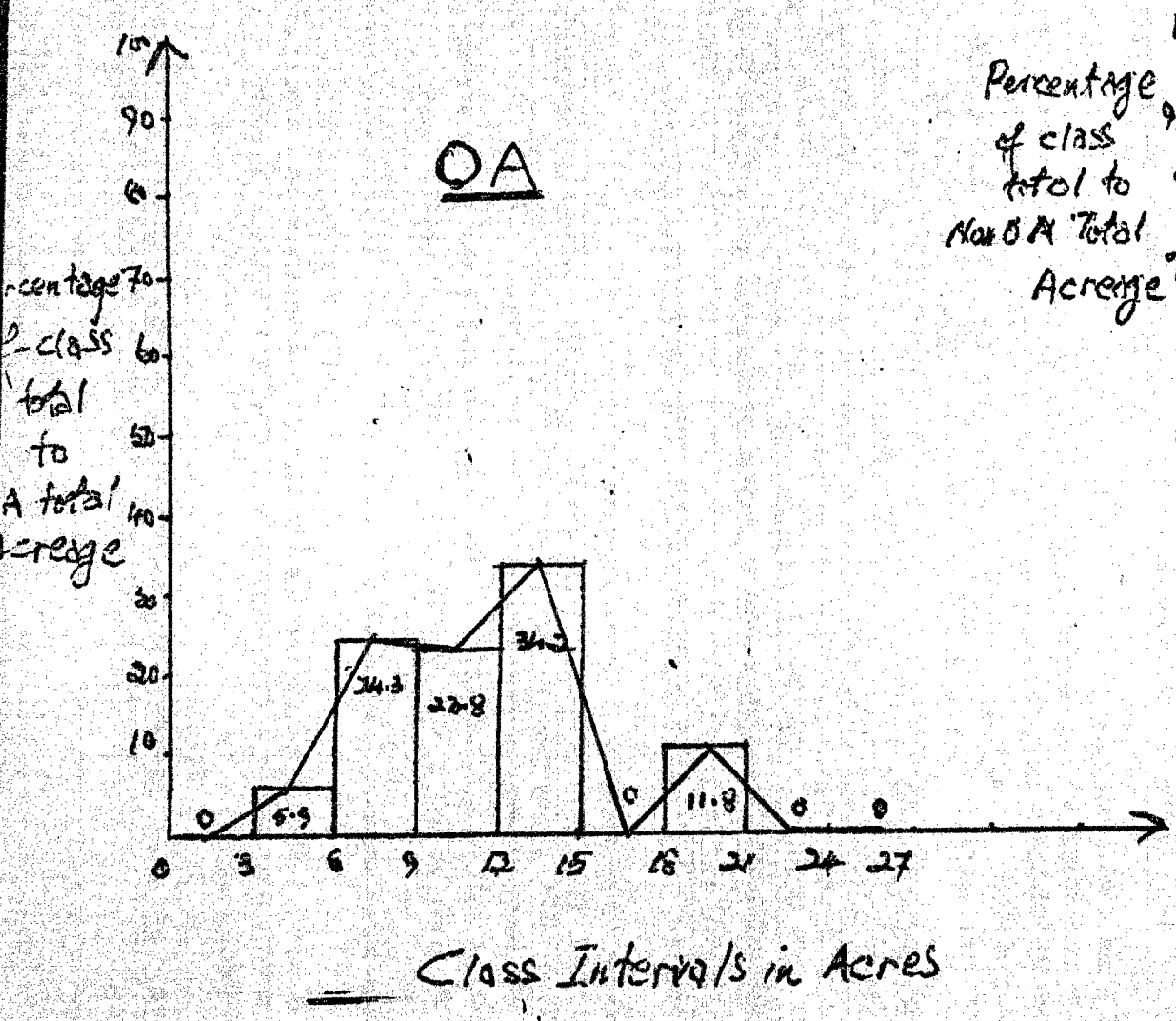
SIZE OF OPERATING UNIT BY TYPE OF OWNERSHIP, SEREMBAN DISTRICT

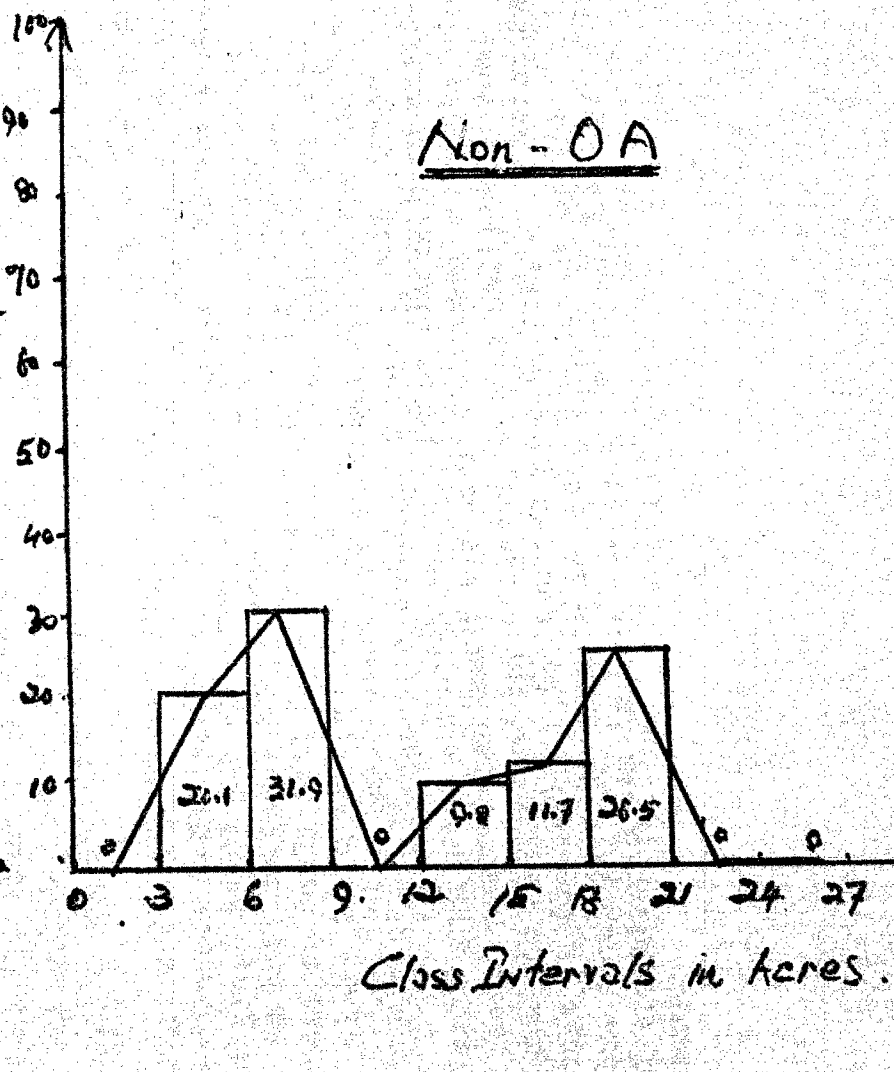
Size of Operating Unit (Acres)	Own Account			Non-own Account			Total		
	No. of Units	Total Acreage in Class	% of Total Acreage	No. of Units	Total Acreage in Class	% of Total Acreage	No. of Units	Total Acreage In Class	% of Total Acreage
0 - 3	-	-	- (a)	-	-	-	-	-	-
4 - 6	2	10	5.9 (b) 24.5	6	31	20.1 75.5	8	41	12.7 100.0
7 - 9	5	41	24.3 45.2	6	49	31.9 54.8	11	90	28.0 100.0
10 - 12	4	40	23.8 100.0	-	-	-	4	40	12.3 100.0
13 - 15	4	58	34.2 80.0	1	15	9.8 20.0	5	73	22.6 100.0
16 - 18	-	-	-	1	18	11.7 100.0	1	18	5.5 100.0
19 - 21	1	20	11.8 32.8	2	41	26.5 67.2	3	61	18.9 100.0
22 - 24	-	-	-	-	-	-	-	-	-
25 - 27	-	-	-	-	-	-	-	-	-
Above 27	-	-	-	-	-	-	-	-	-
Total	16	169	100.0 52.0	16	154	100.0 48.0	32	323	100.0 100.0
Average	-	9.5	-	-	10.3	-	-	10.8	-

(a) The first percentage refers to the percentage of the class total to the total acreage in the group, i.e. 5.9% refers to the ratio of 10 acres in Class 4 - 6 acres to the total acreage in the Own Account group, i.e. 169 acres. Thus the percentage is 10/169 = 5.9%*

FIGURE 2.2

SIZE OF OPERATING UNIT BY TYPE OF OWNERSHIP, DISTRICT OF SEREMBAN


OA
Percentage of class total to OA total Acreage
100
90
80
70
60
50
40
30
20
10
0
5.9
24.3
22.8
31.2
0
11.8
0
0
0 3 6 9 12 15 18 21 24 27
Class Intervals in Acres


Non - OA
Percentage of class total to Non OA Total Acreage
100
90
80
70
60
50
40
30
20
10
0
20.1
31.9
0
9.8
11.7
26.5
0
0
0 3 6 9 12 15 18 21 24 27
Class Intervals in Acres.

the total point of view there seems to be little difference in the acreage covered by the 2 groups. There are, however, some interesting differences within the class distribution by size. In those units under own accout the number and acreage involved seem to be concentrated into 3 class groups, the 7 - 9 acres, 10 - 12 acres and the 13 - 15 acres. 82.3% of the total own account acreages falls into these 3 groups.

With regard to the non-own account group, however, the concentzation is quite different. 52% of the total acreage under the non-own account group falls into the 4 - 6 acre and 7 - 9 acre class groups. The 2 instances that fall into the 19 - 21 acre group hase pulled the percentage up to a significant extent because of the absolute size of the 2 pieces involved.

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXX

The percentage of non-own account operators is higher than that for the own account operators within the 4 - 6 and 7 - 9 acre classes. 75.5% of the total area within the 4 - 6 acre group is under non-owner operators whereas 54.8% of the total area within the 7 - 9 acre group is under non-owner operators.

In the medium sized classes, however, the own account group predominates. All the cases within the 10 - 12 acre group are own account operators, neither are there any non-own account operators in the next sized group where 80% of the total acreage is operaterated on own account.

Actually there is a more even distribution within the middle classes of those under own account and the percentages in terms of total acreage in the own account groups are more balanced.

Figure 2.2 illustrates graphically what has been described in words. In the first instance the own account graph and the non-own account graph start and end from the same point. At the begining stages in both no cases are involved. The own account graph, however, shows an early rise from the 4 - 6 acre group to the 15 acre limit where there is a sharp drop. In the case of the non-own account graph, the curve starts in the same was as the one for own account, but the decline is reached at a faster rate in the 10 - 12 acre class, after which there is another steady rise until the last classes are reached and a subsequent decline. In the own-account graph the rise after the collapse is only small when compared to that in the case of the non-own account graph. Therefore, graphically, there is a divergence in the distribution of the classes of operating units in both the own account and non-own account groups.

ORIGINAL SUBDIVISION PLANS OF THIRD MILE ESTATE

CHAPTER III

A CASE STUDY - THIRD MILE ESTATE

INTRODUCTION

Location

The Third Mile Estate is situated on the right hand side of the Seremban-Tampin Road (~~when one is travelling towards Tampin~~) at the third mile ~~stone~~. This estate should not be confused with the Third Mile Estate in the mukim of Labu which ~~is still an estate as such and~~ has not been subdivided. ~~The Third Mile under discussion is situated at the third milestone on the main Seremban-Singapore road and is in the mukim of Rasah~~.

Part of the estate lies behind Rahang New Village, from which comes the main source of labour working on the ~~small~~holdings of absentee owners and also on the Third Mile Estate. The main entrance to the estate is just before Rahang New Village and is used by both the estate workers and the smallholders as a common thoroughfare. This road ~~eventually~~ leads to the Manager's office for what was formerly the manager's office ~~but is no longer used as such~~ the factory, ~~and~~ the estate office. There is another entrance to the estate at the fifth milestone but this is only a small path which ultimately joins the main road and is used by operators on their way to the subdivided portions of the estate. The main road is mostly used by the estate workers. There is one other entrance to the estate at the sixth milestone.

All these roads are connected and form an intricate ~~pattern with the result~~ that every part of the estate is easily accessible. This facilitates marketing as ~~smallholders~~ are able to transport their produce by bicycle and sell it to the respective dealers in Seremban town which is about 3 or 4 miles distant from the estate.

At the time of survey repairs were being carried out on the main trunk road which was also being widened.

The boundaries of the Third Mile Estate are the Seremban Town Council Limits to the north, Temiang South Estate to the south (this estate has also been partially subdivided) and the Senawang Forest Reserve to the East.

Nature of the Land

The topography of the estate is very varied and unless every part of the estate is visited it is difficult to reach any conclusion. As one follows the main road from the third milestone the gradient increases in a gentle slope. One passes through a series of bends and paths until the factory site is reached. This site is the focal point of the estate and is also the highest point as the road falls steadily to other sectors of the estate. The factory site contains the factory itself, the estate offices, the labour lines and what used to be the manager's bungalow.

Because of the many ravines and valleys on either side of the main road the trees are planted on terraces. At certain places a few banana palms have been planted between the rows of rubber trees. ~~These banana palms seem to be neglected and appear to be of little use from the production point of view. However,~~ the fruit is collected by the labourers and used to supplement their diet.

The path then leads to a portion of the estate that has recently been cleared and replanting commenced. The rubber plants, at the time of survey, were about a foot high. In other areas the trees have been cleared and there was evidence of fire being used as a means of clearing the land of remaining stumps and roots. Small streams traverse the region and provide a natural source of water supply. Generally speaking, the area is very undulating which makes it rather difficult for the smallholder, particularly if his holding is situated deep in the estate, to transport his rubber from the holding to the main road and then to the dealer for sale. This necessitates the processing of rubber on the spot. As a result many small huts have been built, the latex is processed and pressed and the sheets carried by bicycle to the dealer.

Situation Before Subdivision

Prior to subdivision the Third Mile Estate was owned by the Third Mile (F.M.S) Rubber Company Limited and was run by an English manager. The original grant stipulated that part of the land be made over to one Mr. John Alister MacGregor, as follows:-

That Mr. John Alister MacGregor will before the expiration of one year from the 15th March 1906 plant not less than one-fourth of the area comprised therein with para rubber or ficus elatica to the satisfaction of the Resident for the time being and will, before the expiration of each succeeding year, plant up a similar area in a similar manner until one half of the total therein comprised shall have been planted and will at all times maintain the whole of the area so planted in a state of good cultivation.[1]

From the above it can be seen that the land was alienated specifically for the purpose of planting with rubber trees.

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[1] Express Condition in Grant 729 or 1576, ~~in relation to this~~, from the Register of Titles, Seremban Land Office.

The original estate comprised 1915.9 acres and was under 2 separate grants divided into 4 lots, as follows:-

a) Grant No. 729 - Certificate of Title (CT) 6169.
— Lot No. 1644 . . . . . 13 acres 3 roods 13 poles.

b) Grant No. 1576 - Certificate of Title (CT) 6170.
— Lot Nos. 1623, 1645 and 691 . 1902 acres 0 roods 08 poles.

In the process of time, however, the CTs were altered and cancelled whenever the need for adjustment arose. In this manner, CT 6170 was cancelled and two other CTs were issued in May, 1955:-

a) CT 6171 consisting of Lot Nos. 1658, 1645 and 691 . . . . . 1902 acres 3 roods 30 poles

b) CT 6172 consisting of Lot No. 1657 . . . . . 2 acres 0 roods 18 poles.

The third change in CTs came in November 1958 when CT 6171 was cancelled to permit the transfer of title to the new owners. By this time the Third Mile Estate had changed ownership and passed into the hands of a new management, but the name of the estate was not changed. In effect the estate is now managed on a family basis; several members of the family are co-owners and one particular member acts as manager. The CTs issued to replace the cancelled CT 6171 are as follows:-

a) CT 7664 consisting of Lot No. 691 . . . . . 37 acres 3 roods 30 poles.

b) CT 7665 consisting of Lot Nos. 1645 and 1658 . . . . 1865 acres 0 roods 00 poles.

Finally, The Third Mile (FMS) Rubber Company ~~finally~~ sold the estate to Mr. BE, a prominent member of the Chettiar community in Seremban and a firm believer in the merits of subdivision on 16th August, 1957.

Process of Subdivision

~~Mr. BE was in~~ Formal application for subdivision was submitted to the Seremban Land Office Authorities in December 1957, only 4½ months after the purchase of the estate. During an interview with the present Third Mile Estate manager[1] it was discovered that the primary motive for subdivision was lack of funds with which to pay the vendors and that no profit motive was involved nor was there any desire ~~for~~ to speculate. In the actual process of subdivision, however, it is inevitable that some profits will be realised consequent on the buying and selling of rubber land, and there may well have been other reasons involved in the sale of this estate which were not brought out during the course of the interview.

[1] Interview with manager of Third Mile Estate on 15th March, [illegible].

It was not the intention of the owners to sell the whole of the Third Mile Estate. Consequently, at the initial stage, the management retained some 675 acres of young trees, which consisted mainly of 8 year old budgrafted material, and worked the area on an estate basis. The scale of operations has, therefore, been reduced from ~~covering~~ 1,902 acres to 675 acres.[1]

Since formal application was made in December 1957 the estate management has encountered many problems in respect of the procedure of subdivision and correspondence has piled up between the owners and the Land Office Authorities. There is inevitably some delay when an estate is subdivided, but more problems have arisen over this particular estate than over any other that I encountered in the districts covered by my survey.

The Collector of Land Revenue (usually the District Officer) has legally stated his position in a letter[2] sent to the Federal Planner on the subject of the subdiviion of the Third Mile Estate, as follows:-

> There is nothing I can do in this matter but to comply with the applicant's request as far as the area falling outside the Seremban Town Coucil Limits is concerned.

This is a view consistent with that of the Land Office authorities in the other districts that I visited during the course of my survey in Port Dickson and also during the trial survey in Klang and Kuala Selangor. No one legally has the power to stop subdivision once the formal application has been forwarded to the District Officer or to the Collector of Land Revenue in the district concerned. The process can, however, be delayed by with holding the issue of titles subdequent on the completion of survey.

It has been stated earlier that part of this estate is adjacent to the Town Council Limits and thus under the jurisdiction of the Town Council laws and regulations in respect of land use. It is found that the power of the Town Council is greater than that of the Land Office and since part of the land under discussion is governed by Town Council rules, the matter was referred to the Federal Town Planner in Kuala Lumpur for his expert advice. This extra correspondence, not encountered in cases where an estate is outside the Town Council Limits, resulted in extra delays in the process of subdivision.

The matter was referred to the Town Planner for the following 2 reasons:-

a) The intention of the owner to change the use of the land adjacent to the Town Council Boundary.

---

[1] Data given in correspondence between Third Mile Estate owners and Land Office Authories when applying for subdivision of the estate. After subdivision the actual size of the estate was 545 acres.

[2] Letter from Collector of Land Revenue, Seremban, to Federal Planner on 31st December, 1957. Source: Subdivision File on Third Mile Estate, DOS 19/234.

b) The intention to improve the main road to the south (to Singapore) for which it was necessary to excise certain pieces of land from the estate.

The portion gazetted as a Town Council area is about 100 acres in extent. Of these, 21 acres had already been sold before application for subdivision had been made. In addition to these 21 acres, smaller pieces of about 5 acres each had been sold and the new owners had decided to use the land as a building site. Thus the use of the land had been changed from that of rubber farming to building.

The area that falls within the Town Council limits is marked as "A", "B" and "C" on the ~~Original~~ Subdivision Plans of ~~the~~ Third Mile Estate. ~~(Refer to Appendix II.)~~

On receipt of the Subdivisional Plans the Survey Department commenced survey work and the fixing of ~~the~~ boundary stones. Initially the costs of subdivision, that is the survey fees, the laying of boundary stones, engrossment fees, etc, came to a total of $36,000 but subsequently when additional subdivision was carried out, the costs were raised to include the extra work involved. The figure finally set was $48,331. In view of the large amount involved, the manager of the Third Mile Estate and the Collector of Land Revenue, Seremban came to an agreement whereby a depost of $10,000 was paid initially, with the commencement of the survey work by the Survey Department, followed by monthly instalments of $2,000 until the full amount had been settled. One of the reasons for the delay in the process of subdivision of this estate can be attributed to the fact that the above mentioned instalments were not always paid on time. When this occurred survey work was terminated until the instalment had been paid.

The problem of the land falling within the Town Council limits was solved at a Town Council meeting when a resolution was tabled approving the subdivision of lots "A", "B" and "C", as follows:-

> The Committee discusses the abcve and recommends the approval of the subdivision of the portion of the land lying within the area under Sec. 150 (i) of the Town Boards Enactment into three separate lots, i.e. Lots marked "A", "B" and "C", for agricultural purposes as shown in tracing 3A in STC 232/14 on condition that the areas bordering the Loop Road and Tampin Road which are required for road reserves to enable the authorities to construct a one chain and two chain roads respectively, are surrendered to the Government.
>
> The Committee also recommends that the owner be requested to surrender to Government certain land required for the improvements of the curves in the main Seremban/Tampin Road near the Rahang New Village. It is noted that the owner is agreeable to give this land".[1]

---

[1]Town Council Meeting, Item 4, Subdivision of Lot 1658, Mukim of Rasah STC 232/14. Decision tabled on 1st August, 1958.

From the above it can be seen that the problem of the subdivision of the land within the Town Council limits should have been settled but the situation worsened when the management of the estate suddedy decided to subdivide part of Lot No. 1658 (the area within the T.C. limits) in the following acreages:-

1) 0.8 acres

2) 2.2 "

3) 1.7 "

4) 7.7 "

5) 21.3 "

6) 14.3 "

7) 4.6 "

It should be noted that 4 of the above areas are under 6 acres, ~~which is considered to be the most economical size of unit for the cultivation of rubber.~~ It was in this connection that a letter was sent from the Federal Town Planner to the Land Office in Seremban discouraging the subdivision of this land into pieces of less than 6 acres. This is in keeping with the agricultural policy of the Federal Government but even the Town Council has no legal power to forbid the subdivision of agricultural land into areas of less than 6 acres as long as the said agricultural land is outside the precincts of the Town Council limits. All it can do is to discourage the subdivision, either by using its influence on the owner to modify the subdivision plans to exclude any pieces of less than 6 acres or by delaying the process of subdivision. In this particular case, since Lot No. 1658 was under the jurisdiction of the Town Council, the Federal Town Planner sent the following reply.

> The agricultural policy is to discourage the subdivision into lots of less than 5 acres[1] each for rubber smallholdings. Since lots 1, 2, 3, and 7 as indicated on the applicant's plans are less than 5 acres each, I suggest that the applicants should adjust their subdivision so that no lots should be less than 5 acres. Otherwise the application should not be entertained.[2]

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[1]Note that 5 acres is stated as being an economical unit, whereas 6 acres was the figure stated at a meeting of the State Natural Resources on 23rd October, 1956.

[2]Extract from letter from Town Planner to the Land Office, Seremban, 4th March, 1960.

Obviously the management of the Third Mile Estate did not want to have the various pieces under one ~~proprietorship~~ ownership, otherwise there would have been no objection. However, due to pressure exerted by the officials the forementioned plans were scrapped. All this took up a considerable amount of time since it involved additional survey work, none of which was used.

This is an unique case in the districts of Seremban and Port Dickson because none of the other subdivided estates visited falls within Town Council limits. In this particular case the Town Council of Seremban decided, in August 1960, that "subdivision be deferred and the applicant be requested to interview the Town Planner in relation thereto". Even at the time of investigation, 4 to 5 years after formal application for subdivision had been submitted, no new titles had been issued. Physically speaking subdivision has taken place in the sense that the new owners have taken possession of the land and are tapping their trees, either with paid or family labour. None of the new owners, however, can technically be called a legal owner of his land but it is true that a transaction of sale was made and a legal document signed to signify the transaction.

As a result of the failure to obtain certificates of title to signify ownership, the new owners are unable to apply for replanting grants under Land Code Para 15. This has created discontent among the new owners as well as hardship, as they are having to continue tapping the old trees which are uneconomical to maintain. This aspect of subdivision is not only confined to Third Mile Estate but is common to all subdivided estates where legal subdivision has not been granted.

Emphasis has been placed, in recent years, on rural development and the opening up of new development and resettlement schemes. This has put a strain on the Survey Department who has had to carry out all the preliminary surveys with the result that subdivisional surveys have taken second place. Hence the long delays mentioned above, and the trend of rubber estates to use private surveyors in an attempt to speed up the process of subdivision even though this involves additional cost. However, in the case of the Third Mile Estate, Government surveyors commenced the survey work in 1957 and there seemed little point in changing to private surveyors half way through.

To summarise, the problems of subdivision encountered by the Third Mile Estate are as follows:-

a) Restriction imposed on the subdivision of certain areas of the estate that fall within the Town Council limits.

b) The policy of the Government to discourage the subdivision of rubber land into areas of less than 5 acres.

c) The continual change in policy on the part of the management in respect to CTs and Lot Nos.

d) Lack of finances with which to pay survey fees which were paid on an instalment basis. If an instalment was not paid survey work was suspended.

e) The emphasis on rural development, designed to raise the standard of living in rural sectors, channelled the work done by Government departments into this field and away from subdivision.

f) Loss of interest on the part of the subdivider who is not really interested, (having sold his land to the new owners) as to whether they receive their titles or not.

g) Some new owners are not interested in obtaining new titles as it involves a payment of quit rent to the Government. This rent varies from $3 to $6 per acre, depending of the size of the holding. In addition there is the Education Rate, payable at the rate of 75 cents per acre, and designed to collect sufficient revenue to finance the compulsory free education in primary schools to be introduced in 1962. Should these rates not be paid a penalty of 5% of the total is imposed on the defaulter. However, this is by no means generally the case as most new owners are anxious to receive legal title and thus a "passport" to replanting grants from Fund B.

The above analysis has traced the process and problems of subdivision of the Third Mile Estate from 1957 to the time of survey. One may wonder why this estate should have been chosen as the subject of a case study?

In the first place it is a good example of partial subdivision and as such it is possible to compare the various aspects of the economic and social conditions that prevailed on the estate prior to subdivision, with those existing at the present time on the portion that is still run as an estate and ~~also with those~~ on the subdivided pieces.

Secondly, location of the estate was easy and the good roads made every part of the estate accessible. The third reason can be attributed to the fact that this particular estate was faced with problems peculiar to this estate alone and as such make interesting discussion.

Pattern of Subdivision

As mentioned in Chapter II, this is an instance of partial subdivision and only part of the original estate has been subdivided and sold to various new owners. Originally 675 acres were retained, of which 300 acres were under budgrafted rubber, and 1,227 acres were sold to about 100 new owners, that is two-thirds of the estate was subdivided. This was the situation when application for subdivision was formally sent to the Land Office in December, 1957.

Usually, when an estate is subdivided, the subdivided pieces are run by the individual owners, syndicates or co-owners. In this instance only part of the estate has been subdivided, the rest has remained as an estate and is run as such and since 1958 there has been a tendency to increase the acreage under the Third Mile Estate.

~~This is not due, in any way, to the alienation of new land~~ because the surrounding land has already been alienated but is due essentially to a process called "~~agglomeration~~". Basically this means the accumulation of land by owners in order to have a larger unit of operation and to take advantage of lage scale economies. This is in ~~direct~~ contrast to subdivision which is the break up of estates. The owners of the estate have been able to settle with the vendors and with the profits made (inevitably there must be some) they gradually purchase the land back from the various owners to whom they sold the land in the first place. It is known[1] that in 1958 the Third Mile Estate comprised some 545 acres whereas the present acreage (in 1960) is 689 acres.[2]

repurchase

It is worth mentioning that there has also been a pattern in the process of "~~agglomeration~~". This is not simply haphazard buying of any pieces of land that can be obtained but rather a policy of the estate management to buy back that land that is near the focal point of the estate, i.e. the factory site. This portion was excluded from subdivision but the management is anxious to obtain all the land adjacent to it.

This process has been

~~Agglomeration is~~ beneficial in that more labour is required as the physical area of the estate ~~is~~ has been increased. This is illustrated by the fact that when the estate consisted of 548 acres in July 1958, the total labour force was 58, but in 1960 the total was 98, showing a 69% increase. This increase may have been at the expense of a decrease in the labour on the smallholdings, which, in the event of a smallholding being sold, is dismissed. ~~It is not known to what extent this decrease in the smallholding labour force has affected the increase in agglomerating estate but the total increase in the estate labour force certainly offsets any such decrease.~~

SIZE OF SUBDIVIDED PIECES

~~Analysis of the distribution of pieces by size~~

This study is based on information gathered from the plans on subdivision of the estate.[3] ~~Physically~~ there is a great ~~difference~~ range in the sizes of the subdivided pieces which ~~range~~ average from 0.7 acres in size to above 60 acres. (Refer to Table 3.1.) This Table shows a concentration of pieces at the 5 acre and 10 acre sized groups. In

---

[1] Labour Department Inspection File for Third Mile Estate, 8th July, 1958.

[2] Ibid, 11th May, 1960.

[3] Refer to Appendicies ~~III, IV, V and VI.~~ I, II, III and IV

TABLE 3.1

DISTRIBUTION OF SUBDIVIDED PIECES BY SIZE, THIRD MILE ESTATE

Size of Piece (Acres)	No. of Pieces	Percentage of Total
1	2	1.4
2	3	2.1
3	2	1.4
4	7	4.8
5	38	26.0
6	6	4.1
7	7	4.8
8	9	6.2
9	2	1.4
10	50	34.0 (34.)
11	1	0.7
12	2	1.4
13	1	0.7
14	2	1.4
15	-	—
16	-	—
17	1	0.7
18	-	—
19	-	—
20	-	—
21	4	2.7
50	2	1.4
60	1	0.7
70	1	0.7
Above 80	5	3.4
Total	146	100.0

Source: Subdivision Plan "A" (See Appendix III).

Note: Plans "B", "C" and "D" show subdivision for housing purposes only and have been omitted from this Case Study. (See Appendices ~~IV, V and VI~~ II, III and IV)

TABLE 3.2

MODIFIED DISTRIBUTION OF SUBDIVIDED PIECES BY SIZE, THIRD MILE ESTATE

Size of Piece (Acres)	No. of Pieces	Percentage of Total
1	2	1.4
2	3	2.1
3	2	1.4
4	7	4.8
5	38	26.0
6	6	4.1
7	7	4.8
8	9	6.2
9	2	1.4
10	50	34.0
11	1	0.7
12	2	1.4
Above 12	17	11.6
Total	146	99.9

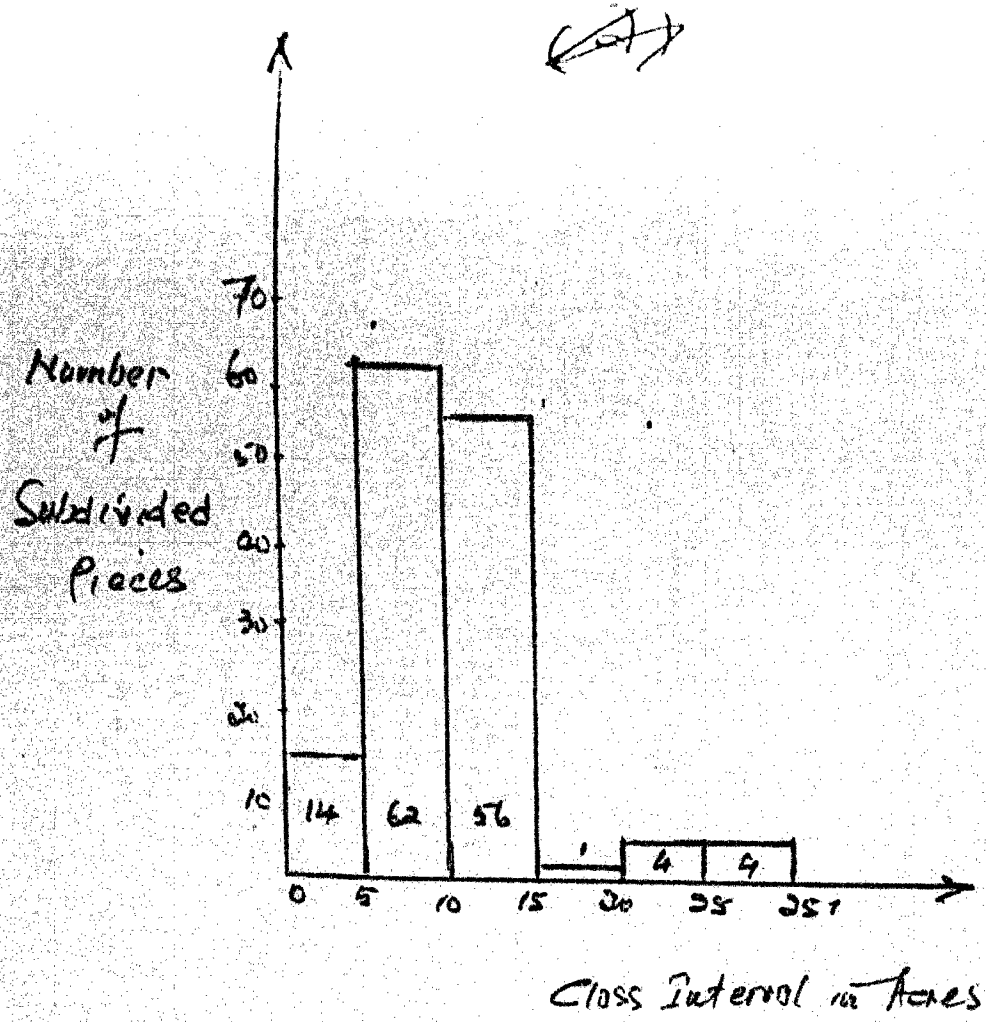
Source: Table 3.1

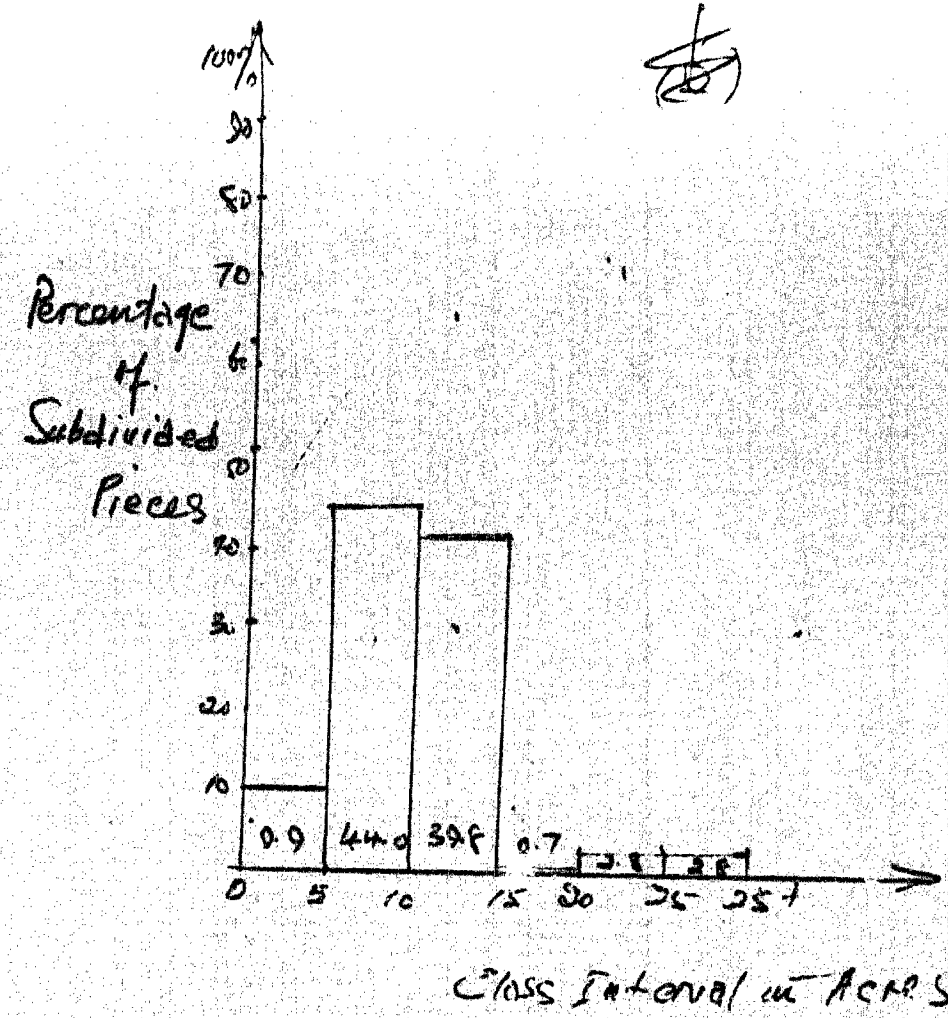
TABLE 3.3

FREQUENCY DISTRIBUTION OF SUBDIVIDED PIECES BY SIZE, THIRD MILE ESTATE

Size of Piece (Acres)	No. of Pieces	Percentage of Total
0 and below 5	14	9.6
5 " " 10	63	43.2
10 " " 15	57	39.0
15 " " 20	2	1.4
20 " " 25	5	3.4
25 and above	5	3.4
Total	146	100

Source: Table 3.1.





~~DISTRIBUTION OF SUBDIVIDED PIECES~~

~~(a) According to Size~~

(b) According to Percentages.

FIGURE 3.1

DISTRIBUTION OF SUBDIVIDED PIECES BY SIZE AND PERCENTAGE,
THIRD MILE ESTATE

DISTRIBUTION BY SIZE

DISTRIBUTION BY PERCENTAGE

absolute numbers 38 pieces (27%) fall into the 5 acre group whereas 50 pieces (~~35%~~) fall into the 10 acre group. The pieces seem to be concentrated mainly in the ~~lower~~ class groups, i.e. below 10 acres.

The information contained in Table 3.1 has been modified in Tables 3.2 and 3.3. In the latter Table I have taken the 5 acre class interval and compiled a frequency distribution from the data given in Table 3.1. As distinct from Table 3.1, where the 10 acre group has a tremendous overall effect on the picture of the subdivided pieces, Table 3.3 gives a more realistic view. As in Table 3.1, the ~~most number~~ of pieces fall into the 5 and 10 acre groups but the 10 acre group is in a sector of its own and so its influence is minimised. The result is that 63 pieces (~~44.5%~~) fall into the 5 - 10 acre group and 57 pieces (~~39.6%~~) fall into the 10 - 15 acre group. The distribution of pieces in the other classes is small. Figure 3.1 gives a pictorial illustration of the above analysis. If adjustments are made for the heavier weights in the 5 and 10 acre classes and ~~take~~ the figure 9.9 acres as the dividing line in the frequency distribution, it can be noted that approximately half of the total falls into each portion of the groups below and above 9.9 acres. In physical terms the pieces below 9.9 acres number 75 pieces and those above number 69. In terms of percentage, the former constitutes ~~52%~~ and the latter ~~48%~~. ~~However, these are merely statistical adjustments and not very useful in an analysis of the pattern of subdivision.~~ ~~In short~~ We wish to know why ~~there is such a~~ pattern and ~~why~~ the majority of pieces ~~are of~~ 5 and 10 acres in ~~extent~~ and ~~that~~ why ~~so~~ 132 of the 146 pieces ~~are~~ below 15 acres in size? There is no ~~definite~~ single answer ~~for~~ this but the following reasons have been based on personal observation and interviews with various people connected with subdivision:-

a) ~~It is generally concluded that~~ Smallholders do not have an abundant supply of money with which to buy land. A tapper's wage is low when compared to ~~that~~ earned by labourers in urban areas. Therefore a ~~smallholder~~ prospective has to save ~~a great deal~~ before he can buy a small piece of land. In many instances these savings are accrued through a life-long process of constant watch over expenditure on luxuries. ~~Even after long term saving the tapper can only afford to buy a small plot of land which will provide a steady source of income and moreover give him a sense of security.~~ This ~~being the case~~, there is more demand for ~~the~~ small~~er~~ subdivided pieces and why so few tappers can afford to buy large pieces or estates. The subdivider, therefore, in an attempt to meet this demand subdivided the land into pieces that can be easily marketed. Generally it is the shopkeepers, money lenders and urban people who purchase the larger areas, but needless to say this is not always the case. There are instances in this case study of owner operators owning as much as 30 acres and hiring tappers to do the work since their own family labour is inadequate. This, however, ~~can be termed as the exception rather than the rule.~~ is an

b) A smallholder, provided he has legal title to the land, can receive a replanting grant of $600 from Fund B for every acre he replants. On the other hand if he owns 30 acres or above he can only receive a grant to replant one-third of his acreage.[1] Thus, in terms of simple arithmetic, a smallholder can calculate that if he replants an area of 10 acres with good material he will receive higher returns for his input of labour, capital, etc., than if he owns 30 acres. Hence the reason for purchasing small lots of 10 acres, unless a larger area is purchased and "re-subdivided" among members of the same family.

The $600 per acre grant does not necessarily cover all the cost of replanting since it is paid in instalments over a 5 year period and periodic inspections are made before the next instalment is paid. The payment of the grant is made as follows:-

1st Advance:	Made after the felling, or destruction by other means, of the old trees to the satisfaction of the State or Settlement Replanting Officer	$200
2nd Advance:	To cover the cost of new planting material, fertilisers and other services	$100
3rd Advance:	To cover the cost of manuring and upkeep, given one year after the 2nd Advance subject to the area being properly maintained	$100
4th Advance:	To cover the cost of manuring and upkeep, given one year after the 3rd Advance subject to the area being properly maintained	$105
5th Advance:	To cover the cost of manuring and upkeep, given one year after the 4th Advance subject to the area being properly maintained	$95

This total of $600 per acre, given over a 5 year period is not intended to cover all the replanting costs, but is a subsidy to encourage the smallholder to replant his plot with better yielding material.

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[1] The Rubber Industry (Replanting) Board, A Brochure on the Methods and Procedures Adopted. A pamphlet published for general information.

In actual fact, owing to the delay in the issue of legal titles, no replanting grants have been issued to smallholders on this estate but several owner operators, who have actually replanted have clearly stated that t ey intend to ask for replanting grants as soon as their titles are issued.

c) A 5-acre piece is considered to be an economic unit for the cultiv tion of rubber in the sence that a smallholder can keep himself and family fully employed, with no unemployment or underemployment of resources whether they be labour, capital or land. If the area is larger than 5 acres then the smallholder may find it essential to hire tappers in addition to his own family labour, and the payment of such labour constitutes a drain on his financial resources and a hinderance to the possible raising of his standard of living.

The above reasons suggest that there is a definite motive behind the pattern of subdivision and this is borne out by the fact that in Seremban District 3 estates have been subdivided into a total of 78 pieces, 46 of which are under 10 acres and all under 12 acres in size.

I would like to make a few comments on the size of the operating units based on an analysis of information gathered from interviews carried out in the field. By "operating units" I hear refer to the owner's operating unit and not the operator's operating unit. This is a necessary differentiation because an owner of a holding may have several tappers working on it, in which case there would be several operators' operating units but only one owner's operating unit. An operator's operating unit is thus part of the whole and is called a "piece" of the whole.

In Table 3.4 makes no allowance for the differentiation between owner operators and the ordinary hirded tappers or non-owner operators. However of the 22 operating units, 12 are owned by owner operators. It should be noted that each of the owner operated units is a "one-piece operating unit". There is not a single instance of an owner operator owning more than one piece.

In further analysing the operating units of owner operators, it is found that 11 of the 12 cases consist of areas of 15 acres and less. In only one instance has an owner operator a unit of 20 acres. This unit is quite distinct in that in addition to the usual acreage under rubber, one acre has been cleared for the cultivation of vegetables and the rearing of poultry. In 3 cases the operating units are of 5 acres in extent, in 2 cases they are 7 acres and in 4 the units are 10 acres in area. Refer to Table 3.5.

TABLE 3.4

DISTRIBUTION OF OPERATING UNITS BY THE NUMBER OF PIECES IN EACH ~~ONE-PIECE-OF-LAND~~ UNIT, THIRD MILE ESTATE

Size of Operating Unit (Acres)	No. of Pieces in Operating Unit			Total	Percentage
	1	2	3		
0 and below 4	-	-	-	-	-
4 " " 7	5	-	-	5	22.6
7 " " 10	5(a)	-	-	5	22.6
10 " " 13	4	-	-	4	18.2
13 " " 16	4	-	-	4	18.2
16 " " 19	1(b)	-	-	1	4.7
19 " " 22	2	1(c)	-	3	13.6
22 " " 25	-	-	-	-	-
25 " " 28	-	-	-	-	-
28 and above	-	-	-	-	-
Total	21	1	-	22	99.9

(a) One kepala's operating unit is omitted.

(b) Two operating units have been combined to form one.

(c) Two operating units have been combined to form one.

TABLE 3.5

DISTRIBUTION OF OWN ACCOUNT OPERATING UNITS BY SIZE, THIRD MILE ESTATE

Size of Operating Unit (Acres)	No. of Operating Units
5	3
7	2
10	4
13	1
15	1
20	1
Total . .	11

Source: Sdes 1 Forms.

In terms of acreage, the distribution pattern of operating units owned by absentee owners is similar to that of owner operators in that most of the pieces fall into groups below 15 acres in size. The overall picture shows that there is a concentration of operating units between 5 and 15 acres, in fact 18 (82% of the 22 cases) fall into this category.

PRODUCTION

Yield

Before any discussion on the productivity of the holdings is possible it is necessary to examine each holding in respect of size (total area), the area tapped daily and the number of trees thereon.

~~From Table 3.6 it can be seen that~~ The areas operated and owned on an own account basis vary from 5 acres to 20 acres and that the majority falls between 10 and 20 acres groups. There are 4 smallholdings of 10 acres each, 3 of 15 acres each and one of 20 acres. The mean size of the owner operators' holdings is 11.2 acres. There is a marked difference, however, in the size of piece owned by absentee owners. The range is much the same, from 5 acres to 21 acres, but there are more pieces of less than 10 acres than above and the mode is 9 acres. In terms of averages, the means of the 2 groups are quite close to each other. For the non-own account group the mean is 11.4 acres which is 0.2 acres larger than that of the own-account group.

Generally, the acreage tapped daily constitutes half of the total area of the operating unit, especially if the alternate day system of tapping is adopted. This is the case in 5 of the own account operating units (ignoring the 2 replanted areas). In other units the acreage tapped varies from one-third to four-fifths of the total area. If an average is taken (ignoring the 2 replanted areas) the mean is 4.97 acres tapped daily, which is roughly half of the average total acreage of 11.2 acres. The pattern of daily tapping in relation to absentee owners is not so ~~vastly~~ very different as the mean area tapped daily closely approximates half the total acreage owned by absentee owners.

Refs Table 3.7

With regard to the number of trees on each holding. The data given here refers only to those trees tapped daily. If the 2 replanted areas and the 3 instances on which no information could be obtained are ignored it can be ascertained that an owner operator taps about 314 trees per day. The actual number of trees tapped daily varies according to the size of holding, ~~and~~ the spacing between the trees and the average number of trees per acre. The average number of trees per acre on an owner operated unit is 83, whereas the average number of trees per acre on a unit owned by an absentee owner is 101. Refs Table 37.

Having noted the differences in the acreages operated, the acreages tapped daily and the number of trees tapped daily, it

TABLE 3.6

COMPARISON OF YIELD OF OWNER OPERATED AND NON-OWNER OPERATED UNITS, THIRD MILE ESTATE

No	Own Account		Non-own Account	
	Total output (Katis) per tapping	Yield per Acre (Katis)	Total output per tapping (Katis)	Yield per Acre (Katis)
1	10	2.0	10	2.5
2	12	2.4	35	3.5
3	20	1.5	10	3.3
4	5	1.0	15	6.6
5	5	2.0	12	4.8
6	5	2.0	5	1.0
7	10	1.3	8	1.6
8	0*	0	8	1.6
9	0*	0	20	6.6
10	4	0.6	20	7.5
11	4	1.3	12	0.9
12	17	4.2	12	2.7
13			15	3.0
Total	92	18.3	182	45.6
Average	~~7.5 or~~ 9.2	~~1.5 or~~ 1.8	13.9	3.6

*Both pieces have been replanted.

Source: SdES 1 Forms.

can be realised that the total yield is no basis for comparison. Average measures are required since the totals ~~are biased according~~ depend on the total acreage and the number of trees tapped daily.

The owner operated area of 135 acres, with a daily tapped area of 49.7 acres and a total of 2,500 trees produces a total yield of 92 katis. Whereas the total area owned by absentee owners of 137 acres, of which 53.2 acres and 3,400 trees are tapped daily, yields 182 katis. With respect to owner operated land the average yield per tapping per acre is 1.8 katis. The same figure can be arrived at by totalling the yield per acre in Table 3.6 and dividing by the number of cases involved. In contrast the yield per acre from the non-own account group of 3.4 katis per acre which

TABLE 3.7

TREES TAPPED DAILY ON OWN ACCOUNT AND NON-OWN ACCOUNT OPERATING UNITS, THIRD MILE ESTATE

No.	Own Account				Non-own Account			
	Acreage Operated	Acreage Tapped Daily	No. of Trees Tapped Daily	No. of Trees per Acre	Acreage Operated	Acreage Tapped Daily	No. of Trees Tapped Daily	No. of Trees per Acre
1	20	10.0	n.a.	n.a.	9	4.5	500	110
2	15	5.0	500	100	9	5.0	500	100
3	15	3.2	400	123	9	3.0	n.a.	n.a.
4	10	5.0	200	40	9	4.0	n.a.	n.a.
5	10	2.5	100	40	8	4.0	500	125
6	5	2.5	200	80	20	10.0	n.a.	n.a.
7	15	7.5	n.a.	n.a.	6	3.0	500	166
8	13 (a)	nil	nil	-	5	2.2	250	110
9	10 (a)	nil	nil	-	5	2.5	350	140
10	10	7.0	500	71	15	5.0	200	40
11	7	3.0	n.a.	n.a.	21	5.0	300	60
12	5	4.0	600	125	21	5.0	300	60
Total	135	49.7	2500	579	137	53.2	3400	911
Average	11.2	~~4.1~~ 4.9 (b)	~~208~~ 314 (c)	83	11.4	4.4	~~283~~ 377 (d)	101

(a) Both plots have been entirely replanted.

(b) Information is not available for some cases and the average has been adjusted to meet this discrepancy, i.e. the weighted average is given and obtained by dividing the total tapped area by the actual number of holdings tapped daily (10 since 2 have been replanted).

(c) Average calculated by dividing total by 7 instead of 12.

closely approximates the average arrived at by dividing the total yield per acre by the number of cases. These averages show that the yield per acre is higher for the non-own account group (3.4 katis) than for the own-account group (1.8 katis), in fact ~~1882~~ the difference is 1882.

The actual yield per acre per tapping per day varies and is higher in the non-own account group. The range for the own account group is 0.6 katis to 4.2 katis, whereas the non-own account range is from 0.9 katis to 7.5 katis. In a frequency distribution the yield per acre per tapping per day can be illustrated as in Table 3.8.

TABLE 3.8

DISTRIBUTION OF YIELD PER ACRE PER TAPPING PER DAY (Yo), THIRD MILE ESTATE

Yo	Own Account	Non-own Account	Total
0 and below 0.5	-	-	-
0.5 " " 1.0	1	1	2
1.0 " " 1.5	3	1	4
1.5 " " 2.0	1	2	3
2.0 " " 2.5	4	-	4
2.5 " " 3.0	-	2	2
3.0 " " 3.5	-	2	2
3.5 " " 4.0	-	1	1
4.0 " " 4.5	1	-	1
4.5 " " 5.0	-	1	1
5.0 " " 5.5	-	-	-
5.5 " " 6.0	-	-	-
6.0 " " 6.5	-	-	-
6.5 " " 7.0	-	2	2
7.0 " " 7.5	-	-	-
7.5 and above	-	1	1
Total	10*	13	23

*This total excludes the 2 cases where the whole area has been replanted.

Source: SdES 1 Forms.

The own account group shows a concentration of yield between 0.5 katis and 2.5 katis, whereas the distribution in the non-own account group is more widespread up to the 4.0 kati per acre level plus 3 extreme cases. Generally, however, the average yield per acre per tapping is concentrated in the lower yield levels.

Systems of Tapping

The alternate day system of tapping is generally adopted on this estate; of the 25 operators interviewed, 19 adopt this method. Refer to Table 3.9.

TABLE 3.9

SYSTEMS TAPPING ADOPTED ON THIRD MILE ESTATE

Tapping System	No. of Cases		Total
	Own Account	Non-own Account	
No tapping	2	-	2
Daily tapping	2	1	3
Alternate day tapping	7	12	19
Other	1	-	1
Total	12	13	25

Souree: SdES 1 Forms.

It has been found that the smallholder can, and often does, think on a short term basis in respect of where to tap daily. In 3 instances daily tapping, the operators try to tap as many trees as possible in one day, but it is not always possible for them to tap their entire holdin s. One of these operators taps between 3 and 5 acres of his total 7 acres, whereas another taps 7 of his total 10 acres. By this method some trees are tapped daily and some on an alternate day system.

No tapping is done in 2 cases as the area has been replanted and the trees are still immature. Both these are owner operated units.

Most of the owner operators (58%) adopt the alternate day system of tapping, but with certain variations. I have taken 4 of the 7 cases to illustrate these differences.

The first consists of a 10 acre holding, 5 acres of which have been replanted (without aid from Fund B) and are not tappable. The other 5 acres are tapped on the alternate day system, i.e. 2½ acres are tapped each day. The trees on this unit are not old, hence this system being adopted. Had the trees be n old, the following system would probably be used.

The second case is that of an owner operator with a holding of 10 acres, the trees on which are between 40 and 50 years old. Although the alternate day system is still adopted the intention is to slaughter tap the uneconomical trees. Various cuts, from the single cut to the V-shaped cut are used,[1] as also is ladder tapping, in an attempt to realise the greatest possible income in the shortest time. Various photographs were taken on the spot[2] to illustrate slaughter tapping. Photo.1 shows a typical area of old trees, the bark of which has already been bleacked and there is evidence of thick undergrowth, none of which has been cleared. This is simply because it is uneconomical for a smallholder to do so if the whole area is to be replanted in the near future. Photos. 2 and 3 show slaughter tapping in operation. A ladder is used and a cut made on the tree about 10 feet from the ground. Note the long thin line down the centre of the tree which permits the latex to flow from the cut into the cup which is placed at the base of the tree, about 6 inches from the ground. The small bucket tied to the waist of the tapper is used to collect the scrap rubber that is pulled out of the previous day's cut before the new cut is made for the day. This scrap rubber is in hardened form and can be sold or used as a fuel for starting fires.

A close examination of the photographs shows the condition of the trees and that fungus is growing on the bark in dark patches.

The third case is that of an owner operator who owns 2 plots of land. The first consists of 10 acres and was bought from the original estate. At the time of investigation this area was being slaughter tapped in much the same way as discussed above, the ultimate intention being to replant when legal title has been obtained. The other plot of 15 acres is tapped on an alternate day system but on 3 successive days. On one day he taps 5 acres, the next another 5 and the reamining 5 acres on the third day. Thus he takes 3 days to tap 15 acres, 10 of which are slaughter tapped.

The fourth case concerns an owner of a 35 acre plot. Ten acres have been replanted, 15 acres are still being tapped on an alternate day system ~~and the other 10 acres are being slaughter tapped with a view to replanting in 1962 (with or without a replanting grant).~~ This owner starts work, with the aid of his wife and son, at 4.0 a.m. and taps by the light of lamp fixed to his hat. He maintains that by tapping so early in the day the yield of his trees is increased. The other 10 acres are being slaughter tapped with a view to replanting in 1962 (with or without a replanting grant). The owner has hired a tapper to do this work on a bagi dua system whereby the tapper recieves half the value of the total amount received for the rubber sheets produced.

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[1] See ~~page 55~~ photographs, pages 56-57, [2] Ibid.

Photo. 1

A typical area of old rubber trees. The bark is bleached and thick undergrowth has been allowed to take root.

Photo. 2

Photo. 3

Slaugher tapping in progress.

Photo. 4

A typical processing centre. Note the equipment used for processing.

Photo. 5

Fungus growing on bark of tree.

Photo. 6.

System of tapping showing V-shaped cut.

These 4 illustrations may help to erase the contention that smallholders practise slaughter tapping indiscriminately.

Finally, I should like to mention the case in which no fixed system of tapping is adopted. Refer to Table 3.8. The owner of this unit declares that he taps when and where he likes, when and if he feels like it. The trees may be tapped daily or left until the tapper considers it is worth his while to do so. ~~This is an example of bad management and of a tapper who does not work diligently, as is the general rule.~~

The hired tappers conform to the systems of tapping adopted by the owner operators. Twelve (92.4%) of the 13 hired tappers interviewed tap on the alternate day system and only one taps daily.

This analysis indicates that individual owners adopt a tapping system applicable to their particular case and do not indiscriminately slaughter their trees in order to gain quick returns. It should also be pointed out that smallholders are not altogether ignorant of "scientific tapping" and use the "point system". This is used on young trees and the practice is to tap a certain length of bark for a certain period of time (say one inch of bark a month). By counting the number of marks (made in black paint) the smallholder is able to ascertain just how long he has been tapping that particular tree. ~~This method is to be encouraged in that there is no wastage in bark consumption during the tapping process.~~

Costs of Processing

Processing of rubber includes coagulation, pressing and smoking. In order to do this the smallholder has to possess certain equipment such as pans for coagulating the latex[1], a sieve to separate the dirt from the ~~actual~~ latex content to ensure a good quality of rubber and a press consisiting of a pair of rollers, one with a smooth surface and the other with a ribbed surface. He also has to provide acid, ~~which costs about 90 cents a spoonful. Usually a smallholder is able to coagulate about 15 pounds (11½ katis) with one spoonful of acid.~~ The length of time during which the acid can be used depends mainly on the amount of latex tapped and coagulated within a period of time. The actual cost of coagulation ~~is low, that~~ is about half a cent for every kati of latex coagulated. The latex then has to be pressed with rollers, ~~above~~, which cost about $200 a pair. ~~A pair of such rollers should last for at least 2 years if properly maintained.~~

If the sheets are smoked in a private smokehouse the smallholder is charged a rate of .3 per picul and only after the bill has been paid can he take the sheets to the dealer. In some instances the smallholder may use the smokehouse operator as his agent for the selling of the rubber sheets.

~~From the above it can be seen that the smallholder is involved in all the processes of rubber production (with the exception in some cases of smoking).~~

1. See Photo. 4, page 57.

Quality of Rubber Produced

The rubber produced on the subdivided Third Mile Estate is all smoked by private business concerns. This applies to that produced by absentee owners as well as owner operators. Of the 13 absentee owners, 10 smoke their sheets. (The tappers employed by the other 3 did not know whether or not this was done because the owner usually collects the pressed rubber, which is the last the tappers see of it.)

The quality of the rubber sheet is affected, not only by smoking, but by the dirt content which can result from poor processing. Table 3.10 gives the quality of rubber produced by owner operators and non-owner operators. In 2 instances RSS1 rubber is produced but not to the degree of 100%. Five of the 10 operating units produce RSS2 as do 9 of the 13 absentee owners.

TABLE 3.10

QUALITY OF RUBBER PRODUCED BY THIRD MILE ESTATE

Grade of Rubber	No. of Cases			Percentage of Total
	Own Account	Non-own Account	Total	
RSS1	2	3	5	21.8
RSS2	5	9	14	61.0
RSS3	3	1	4	17.2
RSS4	-	-	-	-
Total	10	13	23	100.0

Note: The above is tabled on the following basis:- The majority is taken as the grade produced, i.e. if 2 qualities are produced by a unit say in the proportion of 60% RSS2 and 40% RSS3, the 60% is taken as representative of that unit. In the case of the proportion being exactly half of one grade and half of another, the higher grade is taken as the quality produced.

Source: SdES 1 Forms.

Condition of Trees

Some indication has already been given as to the condition of the trees and is further illustrated in the photographs. Photo. 5 clearly shows fungus growing on the bark of the tree, but these

trees are old and subjected to slaughter tapping before the area is being eventually replanted. As such, it is uneconomical to maintain them.

Generally speaking it can be said that smallholders, whether they be owner operators or absentee owners employing hired tappers, take constant care of their young trees, lalang is removed and in some cases fungicides are applied to preserve the condition of the bark.

LABOUR AND EARNINGS

The effects of subdivision on labour and earnings is, perhaps, the most important aspect of this survey. The following data is presented in respect of labour and earnings on the former Third Mile Estate, prior to subdivision, and also on the present Third Mile Estate and the subdivided pieces.

Labour Situation

The composition of the labour force, by race, of the Third Mile Estate, both before and after subdivision, is shown in Table 3.11.

TABLE 3.11

COMPOSITION OF LABOUR FORCE OF THIRD MILE ESTATE, BY RACE, BEFORE AND AFTER SUBDIVISION

Race	Before Subdivision		After Subdivision					
	1957		1958		1959		1960	
	No.	%	No.	%	No.	%	No.	%
Malays	129	75.0	1	1.7	-	-	2	2.1
Chinese	41	24.8	1	1.7	24	32.5	55	56.0
Indians	1	0.2	56	96.6	50	67.5	41	41.9
Total	171	100.0	58	100.0	74	100.0	98	100.0

Source: Labour Inspection Files.

Note: All the above data refers to the Third Mile Estate and excludes smallholdings.

Subdivision has resulted in a reduction in the total labour force. One hundred and seventy-one labourers were employed on the estate prior to subdivision, i.e. in 1957, whereas by 1958 only 58 were employed. This constitutes a 300% reduction in the entire force.

This was a short term effect of subdivision but was particularly serious in this case, especially from the Malay point of view, because of the 129 previously working on the estate, only one was employed after subdivision.

Investigations show that the re-employment of displaced labour occurred within a relatively short time of subdivision and that ex-workers found work on nearby estates wherever there was a demand for skilled tappers.

Whereas the number of Malays employed since subdivision has decreased, the number of Indians has increased. This is because the estate has mostly been taken over by Indian chettiars and there is a strong tendency for them to employ workers of the same race. Table 3.11 shows that 1 Indian was employed in 1957, and yet only one year later, in 1958, 56 were employed.

The present level of employment will never equal that prior to subdivision because smaller areas are involved. In 1959 and 1960 there was a slow but steady decline in the the number of Indian workers employed and a rapid rise in the number of Chinese (espeically female tappers). The number rose from 1 in 1958 to 24 in 1959 and nearly doubled in 1960. This, according to the manager of the present Third Mile Estate, "the Chinese are very ambitious and hard-working and will work the maximum number of hours to realise a higher income". with the aid of their children who collect the scrap rubber,

Table 3.12 gives the composition of the labour force, by sex, of the Third Mile Estate before and after subdivision.

TABLE 3.12

COMPOSITION OF LABOUR FORCE OF THIRD MILE ESTATE, BY SEX, BEFORE AND AFTER SUBDIVISION

Sex	Before Subdivision	After Subdivision		
	1957	1958	1959	1960
Males	80	35	31	32
Females	83	22	43	60
Young persons	8	1	-	6
Total	171	58	74	98

Source: Labour Inspection Files.

The labour force on each smallholding depends on the actual size of the holding and the number of people in the households of the owner operators. Most of the owner operators use family labour only, although hired labour is used in one instance where family labour is insufficient to operate a 35 acre holding. However, this is the exception rather than the rule because a family, which usually consists of one adult male, one adult female and 1 - 2 children, can adequately operate a 5 to 10 acre rubber farm. (Refer to Table 3.13.)

TABLE 3.13

OPERATORS' HOUSEHOLD POPULATION, THIRD MILE ESTATE

Adult Males	Adult Females	Children	No. of Instances		
			Own Account	Non-own Account	Total
1	-	-	-	1	1
-	1	-	-	1	1
1	1	-	2	-	2
1	1	1	1	1	2
1	1	2 - 4	1	2	3
1	1	5 & above	-	1	1
1	2	any	3	-	3
2	1	any	-	2	2
2	2	any	-	-	-
3	1 - 2	any	3	-	3
3	3	any	1	3	4
3 & above	3 & above	any	1	2	3

Source: SdES 1 Forms.

Wages and Income

The employees on Third Mile Estate prior to subdivision were paid on an average of $3.90 per day. In fact the Chinese tappers received an average payment of $3.88 and the Indian tappers an average of $3.92 per day. The average monthly incomes of the 2 races were

$112.52 and $109.76, respectively. The discrepancy in earnings between the 2 races is explained by the fact that the Chinese generally worked longer hours.

In 1958, after subdivision, the Indian tappers earned an average monthly income of $84 ($3 per day) and worked, on an average, 7 hours a day. After subdivision, the earnings of both the Chinese and Indian tappers rose to $90 per month. This was not due to any increase in the rate of payment (which still remained at the former level of $3 per day) but to the fact that the tappers worked for 8 hours per day as opposed to 7. Thus, the number of hours worked is a direct factor influencing the level of wages of operators since subdivision. (Refer to Table 3.14.)

The average monthly income of owner operators, before they acquired their smallholdings, was about $124.5, whereas direct employees on smallholdings received $95. Thus, in terms of monetary income, the workers on smallholdings enjoy a higher level of income, but this is not the case in terms of real income. There is no direct method of determining whether real income of operators on smallholdings is higher than that received by estate employees. This can only be explained with reference to the amenities provided and it is rather difficult to ~~m~~ value these amenities in monetary terms. (See below, "Loss of Income in Kind".)

Comparison of Earnings Before and After Subdivision

The incomes of owner operators have increased since they acquired their subdivided land. Whereas before subdivision an average income per household was $124.5, it is now in the region of $326 per month. The income of the tappers has also shown an increase from $95 to $113 per month, but this does not apply to every individual as some have experienced a decrease in their earnings since working on the new smallholdings. The acquisition of land by owner operators has evened out the income distribution, but the income distribution of direct employees is still concentrated in the lower income groups.

Loss of Income in Kind

Although the money incomes of operators on smallholdings since subdivision may have increased, their real income is lower. Formerly, such facilities as free housing, piped water, electricity, medical treatment, maternity allowances, Employees Provident Fund, etc. were provided by the Third Mile Estate, but none of the smallholdings provides all such amentities. Some of the smallholders who actually live in the New Villages, receive piped water and electricity, but not if they live on the smallholding. Most of the owner operators live in their own houses on the holding. These are built with their own labour out of attap and wood: there are no piped water or electricity supplies. The direct operators mainly live in houses on the smallholdings, again built with their own labour but from materials supplied by the owner of the holding. In some instances, however, they rent houses in the New Villages and travel daily to work. The rent for such a house varies from $4 to $8 per month.

TABLE 3.14

COMPARISON OF MONTHLY INCOMES OF OWNER OPERATORS AND DIRECT EMPLOYEES BEFORE AND AFTER SUBDIVISION, THIRD MILE ESTATE

Wages per Month (Dollars)	Own Account		Non-own Account		Total		Percentage of Total	
	Before Sub-division	After Sub-division	Before Sub-division	After Sub-division	Before Sub-division	After Sub-division	Before Sub-division	After Sub-division
0 and below 50	-	-	-	-	-	-	-	-
50 " " 100	3	-	4	1	7	1	30.5	4.3
100 " " 150	5	1	7	9	12	10	52.0	44.0
150 " " 200	2	1	1	2	3	3	13.2	13.2
200 " " 250	-	1	-	1	-	2	-	8.5
250 " " 300	-	-	-	-	-	-	-	-
300 " " 350	1	2	-	-	1	2	4.3	8.5
350 " " 400	-	-	-	-	-	-	-	-
400 " " 450	-	4	-	-	-	4	-	17.2
450 " " 500	-	-	-	-	-	-	-	-
500 " " 550	-	-	-	-	-	-	-	-
550 " " 600	-	-	-	-	-	-	-	-
600 and above	-	1	-	-	-	1	-	4.3
Total	11(a)	10(b)	12(c)	13	23(d)	23(e)	100. 0	100.0

(a) 1 owner operator is omitted from this total.
(b) 2 own-account operators are omitted from this total.
(c) 1 non-own account operator is omitted from this total.
(d) 1 own account and one non-own account operator.
(e) 2 own account operators are omitted.

Geographical and Occupational Mobility of Labour

Eight owner operators and 10 direct employees were tappers prior to taking up their present employment. In only 4 instances has there been any occupational mobility among owner operators: 2 were formerly vegetable gardeners, 1 reared pigs and the other was an electrician.

There has been a certain amount of geographical mobility of labour. Five owner operators formerly lived in Port Dickson and 4 lived outside the state, in Pahang, Malacca and Selangor. However, most of the direct employees are either from Seremban District or at least from the State of Negri Sembilan.

Of the directe operators, 12 were tappers before subdivision and only one has changed his occupation from that of selling food-stuffs in Seremban to tapping on the subdivided Third Mile Estate.

Conditions of Work

The following is a comparison of the working conditions on Third Mile Estate before subdivision (1957) and after subdivision (1959).

a) The provision shop is still in existence and sells common food requirements and other basic necessities.

b) The condition of the creche has deteriorated since subdivision and is in urgent need of repair. It should be demolished and a new one built in accordance with the plans and regulations laid down by the Labour Office.

c) The school is no longer used and ~~xhxrxxxxfxrxxrily~~ a teacher was available to educate the children of employees on the estate.

d) Medical treatment is provided by a medical practitioner who visits the estate once a fortnight. The serious cases are sent to Seremban General Hospital at the Estate's expense.

e) The badminton court and football pitch, used before subdivision, are no longer in extistence.

f) The children are still provided with free milk.

g) Maternity allowances are still paid at the rate of $132 per birth as compared with $139.7 before subdivision.

h) Before subdivision 20 acres of agricultural land were allocated to the tappers and employees for the cultivation of foodstuffs. Five acres have been set aside on the present Third Mile Estate for this purpose.

i) The paid sick leave has been increased from 7 to 15 days per year but paid annual leave has been reduced from 10 to 6 days.

Generally speaking, the conditions of work and amenities received by the employees on Third Mile Estate have fallen in quality since subdiyision. However, electricity, piped water, housing and a public wireless are still provided whereas none of these is available on the various smallholdings.

PERMANENT CAPITAL ASSETS

The factory, originally built for an estate of 1,902 acres, is still in existence. The production from the 1,902 acres prior to subdivision was obviously greater than from the present area of 689 acres. In order to fully utilise the factory resources the Third Mile Estate smokes and processes the rubber from the neighbouring smallholdings at a rate of about 2 to 3 cents per pound of rubber smoked. This serves to utilise the idle resources and ensures efficient production.

The workers quarters have been reduced in number. In 1957 there were 106 rooms but at the time of survey there were only 46 semidetached units (96 rooms). In some instances the houses are so badly maintained that even roofs are missing and they nearly all leak in times of heavy rain. The labour lines, inspite of being built on a contour basis, are easily flooded.

The former manager's bungalow has been sold to a Chinese who does not work on the estate.

MARKET STRUCTURE

Generally the owner operators market their own rubber sheets. The period of sale varies with the individual's need for finance and the current price of rubber. Eight of the 12 owner operators interviewed market their rubber fortnightly. The amount sold depends on the size of each holding. As a basis of comparision I will take 3 holdings of different sizes. One owner of 15 acres markets a total of 7 piculs month (about ½ picul per acre): another owner of 10 acres has an output of between 4 and 5 piculs per month, whereas the third owner of 5 acres produces between 1.3 and 1.4 piculs per month (about ¼ to one third of a picul per acre). Thus, the average amount of rubber sold per acre does not vary greatly with the size of holding.

An owner operator usually sends his product to the same dealer but is sometimes influenced byprices offered by other dealers. He sends his unsmoked rubber to his dealer who, if the current price of rubber is low, may withold it from sale until the market is more favourable.

Most of the owner operators transport their rubber sheets to the dealer by bicycle, because the quantity involved is not great. The rubber from the larger holdings, however, is transported by hired vechicles, the cost of which is borne by the smallholder.

Absentee owners usually market their own rubber. In one instance an absentee owner entrusts the marketing of his rubber to a kepala.

Marketing of Scrap Rubber

As indicated in the general study, scrap rubber is sold by the owner operators at the same time as the rubber sheets. Absentee owners tend to use the bagi dua system whereby the owners receive half of the value of the scrap fubber and the employees the other half. This method is used to induce the tappers to collect all the scrap instead of using it for fuel. In someinstances a fixed rate is paid for every kati of scrap collected. The rate of payment varies from 7 to 20 cents per kati.

The rate of payment for scrap rubber on Third Mile Estate since subdivision is lower than that offered by the smallholders. In 1957, prior to subdivision, 8 cents per pound of scrap was paid. Immediately after subdivision the rate fell to 5 cents per pound and rose to 7 cents per pound at the time of survey.

REPLANTING

Taking one owner operator as an example, I would like to illustrate the process of replanting.

This smallholder has a total of 35 acres, 25 of which are under tapping (15 acres are tapped by the family and 10 acres are slaughter tapped by a hired operator) and 10 have already been replanted. This replanting was carried out soon after the purchase of the land because the trees were uneconomical for tapping.

These 10 acres were first subjected to slaughter tapping in order to obtain the maximum profit to serve as additional working capital for the operator (until the replanted trees are of a tapping age). After the maximum amount of latex had been realised the trees were felled, for which hired workershad to be employed. Such workers, engaged primarily for the purpose of felling the trees with axes, are paid at the rate of $4 to $5 per day. The number of workers employed varies with the work in hand, but in this particular instance the felling and clearing took a period of 2 months. The whole area

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was then cleared with fire and prepared for the replanting of new seedlings.

During the period of clearing the owner operator had planted new material in a small nursery. He used TJ1 seedlings which he had "picked up" from a friend. These seedlings were then directly transplanted to the prepared ground. No budgrafting of any kind was carried out as the smallholder considered that TJ1 is suffiaient to promote a good yield. Extra labour was again required for replanting the new material, as family resources were limited.

These trees will take about 5 to 7 years to mature. During this period the smallholder will tap the other 25 acres, process and sell his product during the day and in the evening attend to the replanted area. This involves weeding and the application of fungicides. He may decide to plant banana palms between his rubber trees as a short term cash crop. This, apart from providing an additional source of income (the crop can be sold in Seremban and nearby villages) serves to protect the soil from erosion. In addition, the smallholder can grow vegetables for home consumption, and thus reduce his expenditure on foodstuffs.

This is an example of an enterprising smallholder because even though he has replanted part of his holding he intends to replant the 10 acres under slaughter tapping as soon as the maximum latex has been extracted and the other 10 acres of replanted land is ready for tapping. He has done all this without ~~receiving~~ any ~~replanting grant~~ from Fund B because he has no legal grant or title to the land. (This particular smallholder utilised profits made from pig rearing.)

The inability to produce legal titles to land has prevented all the smallholders on Third Mile Estate from receiving grants under Fund B, but despite this, 4 of the 12 owner operators have replanted part of their holdings while another 4 intend to replant as soon as possible. The remaining 4 have no intention of replanting because the trees on their holdings are still economical to maintain and will be tappable for a number of years to come.

Absentee owners have a slightly different attitude to replanting. One such owner revealed that he had no intention of replanting because, being an old man, he would not be alive to receive any benefit. None of the other 13 absentee owners expressed a desire to replant.

OWNERSHIP

The manager of the Third Mile Estate has stated emphatically that, if the new owners of subdivided estates are speculators, it is to the social and economic disadvantage of the nation as a whole and in particular to the labour force associated with the subdivided estate.

On the other hand, if the new owners are rubber tappers or connected with the rubber industry (weeders, budgrafters, contractors or even dealers) the nation as a whole will benefit from the resources and experience. This statement has extreme significance in this particular instance because the majority of the owners of subdivided pieces of Third Mile Estate are tappers who work their holdings with their own and family labour, in fact at least 30% of the owners are either tappers, dealers or contracts or even kepalas on other estates.

It is difficult to recognise a case of speculation from on-the-spot interview, but there did not appear to be any such case among the new owners of Third Mile Estate. It is true that the land, in some instances, had been resold to new owners and that profits were made on the transactions, but this can hardly be termed as speculation.

Types of New Owners

Table 3.15 is based on data from SdES 1 and SdES 3 Forms and gives the distribution of ownership. There appears to be an fairly even distribution between absentee owners and owner operators.

TABLE 3.15

DISTRIBUTION OF OWNERSHIP, THIRD MILE ESTATE

Type of Ownership	No. of Cases	Percentage of Total
Absentee owners	16	57.0
Owner operators	12	43.0
Others	-	-
Total	28	100.0

Source: SdES 1 and 3 Forms. Adjustments have been made to avoid double counting.

Geographical Distribution of New Owners

Geographically the new owners are concentrated around the town of Seremban. This is natural since the estate is only about 3 miles from the town centre. Of the 113 new owners, 62 are from the Seremban area (this includes Rahang and Rasah New Villages).

Six absentee owners, however, live in the state of Selangor, in the rice bowl of Tanjong Karang and Sinkinchiang, which illustrates that distance does not preclude the transmission of the news of the sub-division of estates. Table 3.16 shows the geographical distribution of new owners.

TABLE 3.16

GEOGRAPHICAL DISTRIBUTION OF NEW OWNERS OF THIRD MILE ESTATE

Place of Previous Occupation	No. of Owners	Percentage of Total
Negri Sembilan	104	
Seremban District	62	55.0
Port Dickson District	9	7.9
Other districts in Negri Sembilan	36	32.5
Selangor State	6	5.5
Total	113	100.0

Source: List of new buyers.

Occupations of New Owners

Although most of the new owners are tappers or have had some previous connection with the rubber industry, the others have various occupations, as shown in Table 3.17.

The majority of new owners are owner operators, that is they tap their holdings with or without any hired labour and actually live on or near their holdings and process the rubber in their own homes.

Of the 11 absentee owners, 5 are connected in some way with the rubber industry.

It should be noted that 2 owner operators were unemployed at the time of interview. This leads to the question "How is it possible that unemployed people can buy land, and, if they have a smallholding, why are they not working on the land?"

The answer is simple enough. Unemployment prevailed at the time of interview because this was 3 to 4 years after the people concerned has bought their land and during these 3 to 4 years the owners, who had worked the land themselves, had fallen on hard times and as a result were forced to sell their land for financial reasons. Consequently they were, at the time of survey, temporarily unemployed, but it is possible that they quickly found other employment.

TABLE 3.17

OCCUPATIONS OF NEW OWNERS OF THIRD MILE ESTATE

Occupation	No. of Cases	Percentage of Total
Unemployed	2	8.7
Advocate and Solicitor	1	4.3
Teacher	1	4.3
Money lender	1	4.3
Hospital dresser	1	4.3
Tappers, etc.	5	21.7
Owner operators	12	52.2
Total	23	99.8

Sources of Finance for the Acquisition of Land

Generally it is true to say that owner operators acquired their land with savings - a life long process that culminates in the purchase of land. Eleven of the 12 owner operators of Third Mile Estate purchased their land with this form of capital, accumulated by various means, such as the rearing of pigs on a commercial basis. (Refer to Table 3.18.)

The commercial maintenance of pigs is perhaps one of the best sources of extra revenue for the tapper. It takes less than a year for a sow to have a litter and the returns are generally much higher than those received from other farming occupations. The main problem is that of feeding. One owner operator cleared a small area of the holding and erected a hut to house a dozen pigs. The market for pigs was quite constant and the farmer had no difficulty in disposing of his stock. The work involved in looking after the pigs he

performed during the afternoons and evenings, after he had finished his tapping tasks of collecting and processing the latex.

Another method of acquiring capital is illustrated as follows. Prior to buying a piece of land a family (a mother and her son) owned a banana plantation in Tanah Merah Estate, Port Dickson District, which consisted of 7 acres. The land was hired from Tanah Merah Estate owners at the rate of $6 per acre. From this modest beginning, by marketing the bananas, the family was able, through the years, to save enough money with which to buy a rubber holding of 5 acres.

If a potential owner has insufficient savings to purchase a good piece of land at a reasonable price he usually borrows the extra money from friends. A low rate of interest is charged and the payments are made in instalments. This enables the owner to commence tapping, the proceeds from which are used to repay the loan.

In one instance an owner operator used the proceeds from a lottery win to purchase his land.

TABLE 3.18

SOURCES OF FINANCE FOR THE ACQUISITION OF LAND BY OWNER OPERATORS, THIRD MILE ESTATE

Source of Finance	No. of Cases	Percentage of Total
Savings from:		
Previous occupation	5	41.7
Market gardening	1	8.3
Pig farming	1	8.3
Banana plantation	1	8.3
Savings and loans	3	25.0
Lottery prize	1	8.3
Total	12	99.9

Source: SdES 1 Forms.

Method of Land Acquisition

The majority of new owners purchased their land on a cash basis. They made an initial down payment or deposit and paid the rest within an agreed period.

When the manager of Third Mile Estate decided to subdivide and sell part of the estate, prior to the application for subdivision, he advertised for tender (which accounts for the fact that even buyers in Selangor and the rice area of Tanjong Karang knew of its subdivision), inviting offers to buy pieces of land. Let us assume that a Mr. Wong wished to purchase 25 acres of the subdivided estate. He approached the manager and ~~made~~ arranged for the transaction to take place. An agree ment was ~~reached~~ with respect to acreage, price, engrossment costs, terms of transfer, etc., ~~xxxxxxxxxx~~ a deposit of $20,000, was made and a period of time fixed for the payment of the remaining amount of $36,250.. Only when the entire sum had been paid was Mr. Wong ~~he~~ allowed to operate the land.

The costs of the transaction, such as quit rent and other engrossment fees ~~are~~ shared between the vendor and Mr. Wong at an agreed rate, but the entire costs of subdivision, including survey fees, payment for boundary stones and the cost of the issue of certificates of title (at the rate of $6 per title) were borne by the vendor alone.

Had Mr. Wong failed to repay the full amount of $56,250 by the end of the stated period he might have lost his original deposit of $20,000 and the agreement would have been declared null and void. On the other hand, had the vendor failed to hand over possession of the land to Mr. Wong at the appropriate time, the vendor would have had to refund the original sum of $56,250 and in addition pay another $56,250 as liquidated damages. Such arrangements ensure adequate protection for both parties.

When the survey was carried out the actual acreage was found to me more than the agreed 25 acres so Mr. Wong paid an excess amount at the rate of $2,500 per acre. Had the area been less than 25 acres, the vendor would have had to compensate Mr. Wong accordingly.

In addition to the above mentioned monetary arrangements, Mr. Wong and the vendor had to agree on certain other matters such as the right of way along roads and paths, maintenance of roads, etc.

Ten of the eleven new owners (absentee owners) and all 12 owner-operators ~~have~~ purchased their land in this manner. ~~In one instance however, an absentee owner was given a piece of land on a trial basis,~~

~~[1] Refer to Appendix VII.~~

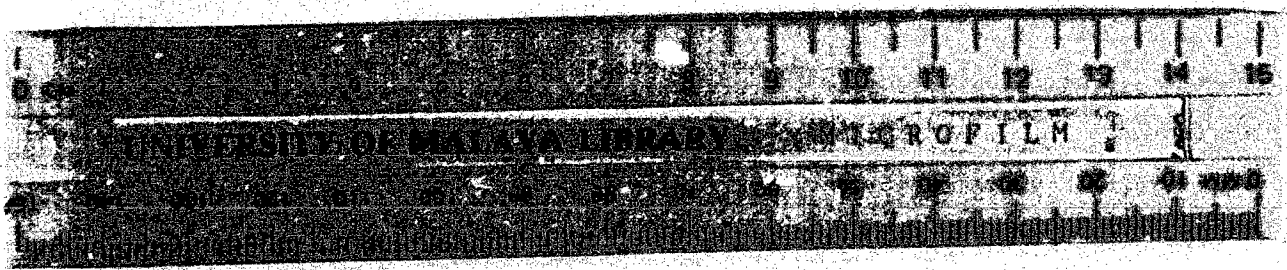
LAND VALUES

The value of the subdivided pieces of Third Mile Estate ranged from $400 to $2,250 per acre. The difference in price was influenced by the age and quality of the trees and the location of the piece in relation to the main road.

One new owner purchased a lot, conveniently situated on the Seremban-Tampin trunk road, but the trees were in a poor condition. He paid $1,250 per acre. Originally he purchased 40 acres: he then sold 10 to another smallholder: the Government requisitioned about 1.5 acres for road construction (for which he was paid compensation): he now operates the remaining 28.5 acres, valued, as stated above, at $1,250 per acre.

There is such a wide variation in the prices paid for the subdivided pieces of this estate that it is not possible to give an accurate average price, but a rough estimate could be given, calculated on the prices paid for 21 pieces, of $915 per acre.

EXTENT AND PATTERN OF SUBDIVISION OF ESTATES IN PORT DICKSON DISTRICT



CHAPTER IV

A GENERAL STUDY - PORT DICKSON DISTRICT

Pattern of Subdivision

It would appear, from field investigations, that subdivision of estates in Port Dickson District commenced in 1957 and reached its peak in 1960. This is a somewhat later development when compared with Seremban District, where subdivision commenced in 1956 and reached its peak in 1957. (Refer to Table 4.1.)

TABLE 4.1

COMPARISON OF EXTENT AND PATTERN OF SUBDIVISION ON THE BASIS OF THREE SOURCES OF INFORMATION, PORT DICKSON DISTRICT

Year of Subdivision	Sources of Information					
	Field Survey		Graduation Exercise		NUPW	
	No. of Estates	Acreage	No. of Estates	Acreage	No. of Estates	Acreage
1956	-	-	-	-	-	-
1957	3	407.1	2	779.0	?	?
1958	2	421.4	1	147.7	?	?
1959	1	326.1	-	-	-	-
1960	5	1900.2	-	-	?	?
1961	1	709.5	-	-	?	?
Not known	5	1710.1	-	-	?	?
Total	17*	5474.4*	3	926.7	4	4195.0

*These totals do not include one estate of 804 acres which has been physically subdivided but for which no application for subdivision had been made to the Land Office.

However, information is not available on 5 estates (a total of 1,710.1 acres) and this may well influence the pattern of subdivision. A more accurate picture of the pattern of subdivision can be obtained from studying the concentration, or otherwise, of subdivided estates in each mukim. (Refer to Table 4.2)

There is an interesting pattern of subdivision in the mukim of Port Dickson where 7 estates, totalling 2,027.3 acres, have been subdivided into 106 pieces. Of the 7 estates, 4 are below 200 acres in area; [illegible]. 2 are about 375 acres in area and one is quite large, about 650 acres in area. Thus the pattern indicates that there is a trend towards the subdivision of small estates. In fact the average size of subdivided estate is about 289.6 acres, and the average number of subdivided pieces in each estate is 15.

TABLE 4.2

SUBDIVISION OF ESTATES, BY MUKIM, [illegible], PORT DICKSON DISTRICT

Mukim	No. of Estates Subdivided	Acreage of Subdivided Estate	No. of Subdivided Pieces
Port Dickson	7	2,027.3	106
Pasir Panjang	4	888.3	57
Linggi	3	1,766.0	76
Jimah	1	119.3	13
Si Rusa	2	673.5	25
Total	17	5,474.4	277

Source: Land Office, Port Dickson.

The 4 estates subdivided in the mukim of Pasir Pajang are all below 300 acres; and the average size of subdivided estate is222 acres/of 19 pieces each.

On the other hand, in the mukim of Linggi, all 3 subdivided estates are above 500 acres.

However, in the district as a whole, there is a definite tendency towards the subdivision of the smaller estates. The average size of subdivided estate in the district is 369 acres; in only 4 instances do estates exceed 500 acres and are usually between 100 and 300 acres. ~~(Refer to Appendix VIII.)~~

TYPES OF SUBDIVISION

Information on the type of subdivision is only available for 8 of the 17 subdivided estates. The other 9 have been subdivided and although the acreages and number of pieces are known in some instances, the actual location is not known of others and consequently no visits could be made. The following discussion, therefore, only covers data on 8 estates. (Refer to Table 4.3)

Five of these, totalling 1,954.7 acres, have been subjected to primary subdivision and subdivided into 70 odd pieces. Three of these were "small" estates of abour 200 acres, whereas the other 2 were "medium" sized and about 700 acres in extent.

Rassak, Sua Manggis and Siginting Estates,

Three estates,/comprising 1139.8 acres, have been subjected to secondary subdivision. Rassak Estate is a good illustration. This estate was subdivided for the first time in 1955 into 2 pieces, one of 107.1 acres and the other of 375.5 acres, each under a separate title. Five years later, in 1960, the 375.5 acre lot was again subdivided into 42 pieces. At the time of survey there were 12 owners and the whole estate was run on a syndicate basis under one manager elected by the 12 owners. Incidentally, the whole "estate" had been replanted with aid from Fund B.

None of the 8 estates ~~have~~ has been involved in pseudo subdivision.

TABLE 4.3

SUBDIVISION OF ESTATES BY TYPE OF SUBDIVISION, PORT DICKSON DISTRICT

Type of Subdivision	No. of Estates	Acreage Subjected to Subdivision
Primary Subdivision	5	1,954.7
Secondary Subdivision	3	1,139.8
Not Known	9	2,379.9
Total	17	5,474.4

One significant feature of subdivision in Port Dickson District is that some estates have been subdivided into large blocks. Sungei Sendayan Estate is a good example. This estate consisted of 649.8 acres and has been so subdivided that one block of 300 acres remained. This was bought by a neighbouring estate, Jemina Estate, and is now called Chin Teck Plantations Ltd, is run by a group of Chinese business men and managed as an estate.

SIZE OF SUBDIVIDED PIECES

Size of Subdivided Pieces

As in the District of Seremban, there is a definite pattern with regard to the size of subdivided pieces. Information is available on 7 estates which have been subdivided into 195 pieces, 134 (69%) of which are 10 acres or below in area. But whereas in Seremban, the distribution of pieces between the 5 acre and 10 acre sizes was more or less even, in Port Dickson District there is an overwhelming majority in the 5 acre group. In fact there are 109 5 acre pieces.

Table 4.4 shows the frequency distribution of pieces by class sizes in the Port Dickson District. As can be seen, about two-thirds of the total number of pieces fall into the 5 and below 10 acre group. This is due to the fact that it is easier to sell land of such areas as the smallholder is able to replant the whole of his land with the aid of a grant from Fund B.

TABLE 4.4

FREQUENCY DISTRIBUTION OF ~~THE NUMBER OF~~ SUBDIVIDED PIECES BY SIZE, PORT DICKSON DISTRICT

Size of Piece (Acres)	No. of Pieces	Percentage of Total
0 and below 5	7	3.4
5 " " 10	127	66.0
10 " " 15	25	12.5
15 " " 20	1	0.4
20 " " 25	28	14.3
25 and above	7	3.4
Total	195	100.0

Note: Case study data has been omitted.

Source: Subdivision plans of estates.

PRODUCTION

Yield

The yield of the trees in this district again varies with the age of the trees and the type of seedlings or clones used. However, from a general study, the yield per tapped acre per day appears to range from 2 katis to 5 katis (d.r.c.). The average yield is about 3.7 katis per acre per day.

Systems of Tapping

The general study reveals that the alternate day system of tapping is most commonly used in this district. Daily tapping and slaughter tapping are also practised to a certain extent but the method used depends entirely on the condition and age of the trees.

Acreage Tapped Daily

If the alternate day system of tapping is utilised, each tapper taps approximately half his allotted area in one day. From investigation it was found that the acreage tapped daily ranged from 3.5 acres (in the case of an ordinary direct employee) to 10 acres (in the case of an owner-operator). The average acreage tapped per day per operator is 4.9 acres.

On an average, each operator taps 440 trees per day.

Processing of Rubber

The processing of rubber in this district follows much the same pattern as described in the general study of Seremban District. The smallholders use their own labour for tapping the trees, collecting the latex, coagulation and pressing. If the rubber sheets are not smoked by the smallholders they are sold in an unsmoked form.

The owner operators utilise the processing facilities available on neighbouring estates and are charged about $4 per picul of rubber smoked. (This rate is higher than that of $3 charged in Seremban District.) About half the absentee owners have their rubber smoked before sale.

One 90 acre holding, owned by a group of 16 people and known as the Coastal Syndicate Port Dickson, is operated in a somewhat different manner, as follows. The syndicate was formed in 1958 and employed 10 tappers, all of whom receive different rates of pay. Those tapping young tees receive 19 cents per kati (d.r.c.): those on ladder tapping, which involves carrying a ladder from tree to tree, receive 40 cents per kati and those tapping old trees receive about 32 cents per kati. Only 60 of the 90 acres are under tapping: the alternate day system is used. Four of the tappers live on the holding and the other 6 live in nearby kampongs. About 12 acres have been replanted.

On this holding one particular person is employed to do the coagulation, pressing and smoking. Previously 2 workers were employed to do this task, and to compensate for the extra work involved this operator receives the comparatively high wage of $145 per month. This is the only recorded instance in the district of one operator doing all the processing work.

Quality of Rubber Produced

Most of the unsmoked rubber produced in Port Dickson District is of Grade 2. Grade 1 rubber is produced in 2 instances because the rubber is smoked on a neighbouring estate. Little Grade 3, and practically no Grade 4, rubber is produced.

LABOUR AND EARNINGS

Conditions of Work

Generally, subdivision has resulted in a deterioration of working conditions, particularly in instances of primary subdivision. With partial subdivision, the old area, still ~~being~~ run on estate lines, is usuallymaintained as before, but the standard of living on the subdivided pieces has declined. However, in one instance, the reverse has occured, that is, instead of the working conditions deteriorating after subdivision they have actually improved. The estate concerned, Sungei Sendayan Estate in the mukim of Port Dickson, was subdivided in July 1958.[1] According to Land Office records, the estate, of 856 acres, was subdivided into 17 "interests". (An estate may be divided into many parts, but one controlling interest may own a number of parts.) The acreage of each piece varied from 9 to 358 acres. ~~Of the 17 interests, 8 were bought by Chinese labourers who were previously employed on Sungei Sendayan Estate.~~ Prior to subdivision 72 workers, consisting of 48 Indians, 18 Chinese and 6 Malays, were employed on the estate. After subdivision 23 Indians were dismissed and the remaining 25 were retained by the new owners. All the Malays were dismissed. However, there was little unemployment as a result of subdivision because most of the dismissed workers found alternative jobs or bought their own land and became self-employed.

Before subdivision there were 50 housing units for the 72 resident labourers and their 85 dependants on Sungei Sendayan Estate. Well water was provided, there was no estate hospital, dresser, or school.

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[1] Labour Inspection File, Ref: S101/166, Lab.N.S. Est. 113.

After subdivision, only 25 labourers and their 32 dependants were housed in the same 50 units, i.e. a two-third reduction. Well water was still provided, an estate hospital was built with a full time dresser and a visiting medical practitioner. A school was also provided. This, however, is the exception rather than the rule, and only applies to 600 acres of the total 856 acres comprising the former Sungei Sendayan Estate. Of the 17 interests, 8 were bought by Chinese labourers, who were previously employed on Sungei Sendayan Estate. These labourers, each own 9 acres of land which they operate with the help of their respective families. As they are self employed they receive none of the above mentioned facilities: they live in self-constructed wooden and attap huts, and have no such amenities as electricity, medical attention, schools, etc.

Wages and Income

Direct employees are paid on a piece rate basis which varies from holding to holding. The lowest rate encountered was 19 cents per kati of sheet rubber produced, i.e. 19 cents per kati (d.r.c.). However, the wage rate is also determined by the age of the trees and the tapper who received the above mentioned rate of 19 cents per kati was tapping young trees with a high yield. Had he been tapping old trees he would have received in the region of 32 cents per kati.

The average piece rate paid in the district is 27.5 cents per kati (d.r.c.).

Before subdivision tappers received an average wage of $103 per month. (This refers to direct employees only.) Since subdivision they receive an average wage of $115 per month, that is a $12 increase per month on their previous income.

The earnings of owner operators have also increased with subdivision. Taking one tapper as an example. Prior to subdivision he warned in the region of $100 per month as a direct employee. With the acquisition of his own holding he operates an area of 20 acres, the monthly income from which is about $500. This, however, includes family labour, and it is not possible to ascertain whether the $100 previously earned represents the entire family income or his individual earnings.

Geographical and Occupational Mobility of Labour

There has been little or no occupational mobility in the district as most of the tappers interviewed were in the same occupation before subdivision. There has, however, been a certain amount of geographical mobility. About two-thirds of those interviewed come from Port Dickson District and the rest from various parts of Negri Sembiland and even as far away as Ayer Kuning. There is only one instance of a labourer working in the same place after subdivision as before.

E.P.F. and Trade Union Membership

About 43% of the tappers interviewed stated that they were members of the E.P.F. before subdivision and contributed $5 per month. Since subdivision, however, only one tapper contributes and he does so primarily because he is now working on a holding that exceeds 25 acres in area and is thus compelled to do so by the Labour Code.

None of the tappers was a member of a trade union before subdivision, nor is any a member at the present time.

PERMANENT CAPITAL ASSETS

In general, subdivision has resulted in the deterioration of permanent capital assets, particularly in the cases of complete subdivision. The factories no longer function and the labour lines are generally abandoned.

With partial subdivision, however, (as in the case of the Third Mile Estate in Seremban District) the estate still functions as such and the buildings, particularly those connected with production, are well maintained.

REPLANTING

Most of the estates visited in connection with the general study were previously under Fund A Replanting Scheme for Estates. The Mani Estate is a good illustration. It was admitted into the Scheme in January 1951 and actively participated in replanting with aid from Fund A. Since subdivision the estate has had to withdraw from the Scheme because it is no longer eligible for membership. However, $2,151 was refunded to the estate from Fund A in respect of cesses paid over an 8 year period. The estate now relies on ~~Fund B~~ Replanting Scheme for Smallholders for financial aid and 45 acres have been replanted with grants from Fund B.

Other smallholders have also received replanting aid from Fund B. Rassak Estate, for example, was purchased by a group of 12, who formed a syndicate and ran the whole area on an estate basis. When it came to replanting, however, each owner applied separately for a replanting grant from Fund B. All the applications were approved and the whole estate was replanted and advantage was taken of large scale economies. The replanting material was obtained from Government sources as was expert advice on budgrafting, application of fungicides, etc. (A budded plant costs about 20 cents and a yard of replanting material costs about 30 cents.) Budgrafting was extensively practised on Rassak Estate. This is illustrated in Photo 7 on pag 83. The original shoot has been cut away and the new shoot is already growing on the side of the original plant. The photographs emphasise that although the trees have been well planted, the maintenance is poor and little weeding is carried out.

Photo. 7

Budgrafted trees on Rassak Estate.

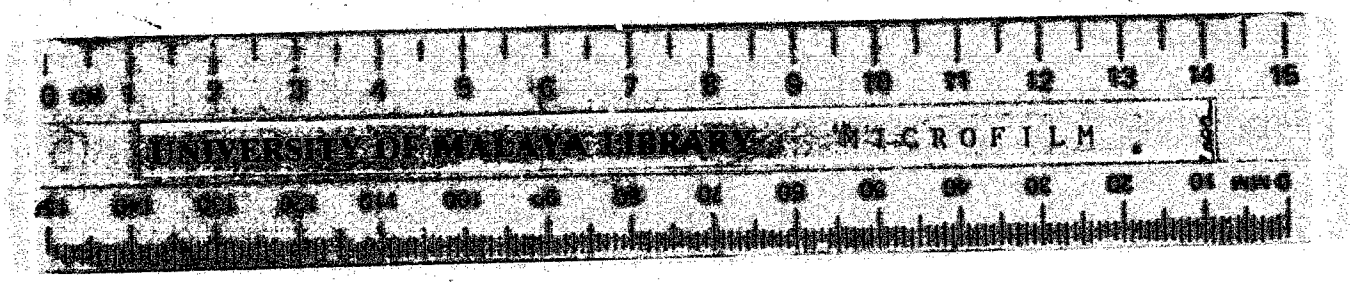


Photo. 8

Although the trees are properly planted the undergrowth is very dense and maintenance is poor.

OWNERSHIP

The pattern of ownership in the District of Port Dickson varies from owner operators to absentee owners. The latter come from various walks of life, and have their origin in different parts of the Federation. This is illustrated by the Port Dickson Coastal Syndicate, the shareholders of which come as far as Johore Bahru. This syndicate, as mentioned previously, is run on a managerial basis. The manager is elected from among the shareholders and the proceeds from the estate, minus the costs of production, are divided among the shareholders in proportion to the number of shares owned.

LAND VALUES

Table 4.5 gives the value of rubber land in Port Dickson District in respect of 6 subdivided estates.

TABLE 4.5

LAND VALUES OF SIX SUBDIVIDED ESTATES IN THE DISTRICT OF PORT DICKSON

Name or Grant No. of Estate	Acreage	Total Cost of Estate (Dollars)	Cost of Land Per Acre (Dollars)
Rassak Estate	375.6	86,394	230
Lukut Bukit Palong	199.7	89,879	448
Si Rusa	326.1	221,000	650
G. 4632	204.0	66,057	322
G. 9230, G. 9551	783.1	109,638	138
C.T. 4865	347.3	64,128	186

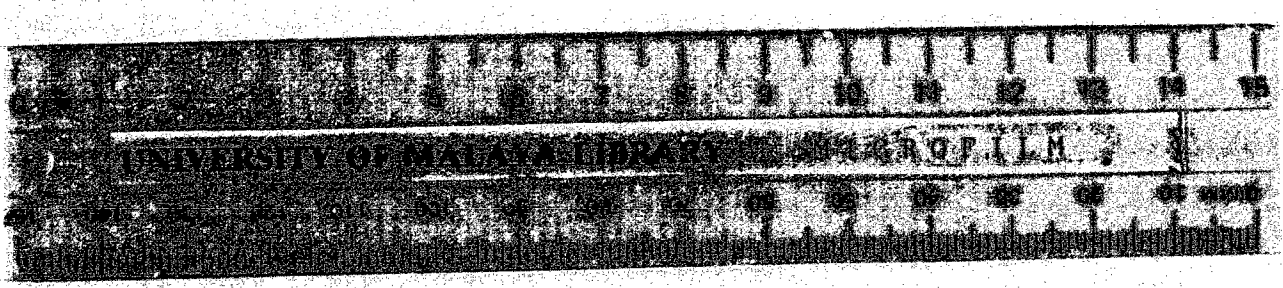
Source: Land Office, Port Dickson.

Note: Total cost refers to the entire purchase price of the whole estate. The cost of land per acre has been calculated by dividing the total cost by the respective acreage.

It will be seen from Table 4.5 that the cost of land per acre in Port Dickson District is considerably lower than in Seremban District, where the prices for Third Mile Estate ranged from $400 to $2,250 per acre. The average price per acre of rubber land in

Port Dickson District is $329 per acre as compared with $915 in the District of Seremban.

These rather low land values may be attributed to the age of the trees and the location of the land.



CHAPTER V

A CASE STUDY - SI RUSA ESTATE

INTRODUCTION

Location

Si Rusa Estate consists of 326.1 acres, is situated at the 8th mile on the Port Dickson - Pengkalan Kempas road, in the mukim of Si Rusa.

The estate takes the shape of a parallelogram and is mainly under rubber cultivation. External communication is limited to the trunk road south as there is no connecting railway, but internally every part of the estate is connected by an intricate netwerk of pathways.

Situation Before Subdivision

The Estate originally consisted of 2 lots under 2 separate titles. The first, CT 3193, Lot 1091 of 61.6 acres was cancelled in 1960 and the following titles were issued:-

CT 8520	. . . . .	11.7 acres
CT 8521	. . . . .	9.7 "
CT 8522	. . . . .	12.4 "
CT 8523	. . . . .	4.2 "
CT 8524	. . . . .	16.5 "
CT 8525	. . . . .	7.1 "

These 6 lots are now owned by one individual owner, who has replanted the whole area, and are actually in the mukim of Pasir Panjang which adjoins Si Rusa mukim.

The second part is in the mumim of Si Rusa, is comprised of 326.1 acres and was alienated to the owners of the Estate in 1940 as CT 4129, Lot Nos. 1034 and 1013. As subdivision has not been completed new titles have not been issued.

These 2 lots make up Si Rusa Estate.

PATTERN OF SUBDIVISION

Si Rusa Estate is an example of primary subdivision in which both constituent lots have been entirely subdivided.

The first, CT 3193, Lot 1091, was subdivided into 6 lots when the new titles CT 8520 - CT 8525 were issued.

The second, CT 4129, Lot Nos. 1034 and 1013, ~~were~~ subdivided into 25 pieces. Sixteen of these were visited during the course of the survey and new owners and current operators interviewed. There appeared to be no definite pattern in the size of these subdivided pieces which range from 4 to 50 acres in area with no definite concentration into any one group size. Table 5.1 gives the frequency distribution of the number of subdivided pieces visited.

TABLE 5.1

FREQUENCY DISTRIBUTION OF SUBDIVIDED PIECES BY SIZE, SI RUSA ESTATE

Size of Piece (Acres)	No. of Pieces	Percentage of Total
0 and below 5	3	18.7
5 " " 10	7	43.9
10 " " 15	1	6.2
15 " " 20	1	6.2
20 " " 25	2	12.5
25 and above	2	12.5
Total	16	100.0

Source: SdES 1 & 3 Forms.

It can be seen from Table 5.1 that there is a definite concentration of pieces (43.9%) in the 5 and below 10 acre group. If 10 acres is taken as the dividing line, 10 (63%) of the total 16 pieces fall below this limit. A similar pattern of subdivision was found in the Distpict of Seremban where the majority of pieces were also below 10 acres in size.

The 2 pieces of 25 acres and above are important in terms of acreage. They are both 50 acres in size and together constitute about 30% of the total estate acreage.

From information obtained there is a suggestion that the small pieces have been bought by ex-tappers whereas the large pieces have been bought by shop keepers, etc.

Part of the estate was subdivided into 1 building lots - 67 half acre lots for bungalows and 20 shop lots. (Refer to ~~Plan B~~, Appendix VI Plan F.)

The estate has thus been divided into 27 interests which vary in size from 3 to 50 acres.

PRODUCTION

Yield

Table 5.2 gives an analysis of yield distribution per acre per day.

TABLE 5.2

~~COMPARISON~~ DISTRIBUTION OF YIELD ~~OF OWNER OPERATED AND~~ PER ACRE PER TAPPING FOR NON-OWNER OPERATED UNITS, SI RUSA ESTATE

DA-1 (Yo)

Yield (Yo) Per Acre (Katis)	Own Account	Non-own Account	Total
1.0 and below 1.5	1	-	1
1.5 " " 2.0	-	-	
2.0 " " 2.5	2	-	2
2.5 " " 3.0	-	-	-
3.0 " " 3.5	2	1	3
3.5 " " 4.0	-	-	-
4.0 " " 4.5	1	1	2
4.5 " " 5.0	-	-	-
5.0 " " 5.5	1	-	1
5.5 " " 6.0	-	1	1
6.0 and above	-	-	-
Total	7	3	10

Source: Sdes 1 Forms.

Note: The total includes 3 cases which have been replanted.

There does not appear to be any definite pattern in the yield from either the own account or non-own account operated units. The average yield from own account operated units is about 3.8 katis per acre per day, whereas that from non-own account operating units is slightly higher - 4.36 katis per acre per day.

Systems of Tapping

The tapping systems adopted on this subdivided estate differ from those used on Third Mile Estate in the Beremban District. Table 5.3 gives the different systems used by own account and non-own account operating units on Si Rusa Estate.

TABLE 5.3
SYSTEMS ADOPTED ON SI RUSA ESTATE

Tapping System	No. of Cases		Total
	Own Account	Non-own Account	
No tapping	-	3	3
Daily tapping	6	1	7
Alternate day tapping	1	2	3
Total	7	6	13

It can be seen that no tapping is carried out in 3 cases. This is because the areas conserned have been replanted and the trees are only about 3 years old.

The majority of smallholders on Si Rusa Estate use the daily method of tapping. (This is in contrast to Third Mile Estate where the alternate day method predominates.) Slaughter tapping is not common because most of the trees are between 20 and 30 years old and unless the smallholder thinks only of short term returns he does not indulge in this method.

There are certain variations within the daily system of tapping. One owner operator for instance taps his trees daily in the following manner. He makes 2 cuts on each tree, one at some distance above the other. On one day he taps the upper cut and on the next day the lower cut. Thus, although each tree is tapped daily, each cut is tapped on the alternate day system. It is not possible to ascertain whether this system of daily tapping is preferable to the ordinary system of simply cutting and tapping each tree daily.

Area Operated and Tapped Daily

The area operated by owner operators varies from 4 to 19 acres, while that operated by non-owner operators varies from 4.5 to 50 acres. In all the 7 owner operators operate a total of 54.5 acres and the average size of each holding is about 7.9 acres. However, most of the own account holdings are less than 7 acres. The average is affected by the existence of one 19 acre piece. The mode seems to be in the 4 to 5.5 acre group as 5 of the 7 owner operators fall into this group. Each owner operator taps about 7.1 acres per day.

~~It is not easy to calculate~~ (give a distorted picture) the average area operated by each non-own account operator because of the presence of two 50 acre pieces and one 20 acre piece. However, if these 3 pieces are excluded, each non-own account operator would appear to tap about 3.6 acres per day. This is less than half the area tapped by owner operators and can be partly accounted for by the fact that two of the non-own account operators use the alternate day system of tapping which pulls the average down.

The number of trees tapped daily by owner operators varies from 500 to 1,500, (Refer to Table 3.4) ~~The average number of trees tapped per acre per~~ but this is largely dependent on the number of trees to the acre, as also is the acreage tapped per operator per day. However, on an average, 100 trees are tapped per acre per day by owner operators where as about 96 trees are tapped per day by direct employees.

Costs of Processing

Only one owner operator smokes his own rubber. He owns 19 acres and taps the whole area on the daily system. His family labour is insufficient to cope with the entire work on the holding so he employs 2 tappers on a piece rate basis. They all share the tasks of tapping, collecting the latex, coagulation, rolling, pressing, and drying in the sun and smoking.

The smokehouse is a simple affair and cost about $350 to build and is divided into two parts. One section is used for smoking and the other as a store room. On interview, this owner operator stated that, inspite of smoking his rubber sheets, he is only able to produce Grade 2 rubber. This is ~~a result of~~ because of a certain dirt content in the rubber sheet, and the fact that it is difficult for a smallholder to control the temperature during the smoking process. Consequently, the sheets may be "over-smoked" or "under-smoked".

However, this is an example of an enterprising smallholder. With slight modifications to his smokehouse and more care during the coagulation process he might be able to produce Grade 1 rubber.

TABLE 5.4

ACREAGE AND NUMBER OF TREES TAPPED DAILY ON OWN ACCOUNT AND NON-OWN ACCOUNT OPERATING UNITS, SI RUSA ESTATE

No.	Own Account				Non-own Account			
	Acreage Operated	Acreage Tapped Daily	No. of Trees Tapped Daily	No. of Trees per Acre	Acreage Operated	Acreage Tapped Daily	No. of Trees Tapped Daily	No. of Trees per Acre
1	5.5	5.5	?	?	6.5	[illegible]	300	100
2	7.0	7.0	?	?	7.0	[illegible]	350	100
3	4.5	4.5	500	111	4.5	4.5	400	89
4	5.0	5.0	?	?	-	-	-	-
5	9.0	4.0	450	112	-	-	-	-
6	19.0	19.0	1,500	79	-	-	-	-
7	4.5	4.5	?	?	-	-	-	-
Total	54.5	49.5	2,450	302	18.0*	11.0	1,050	289
Average	7.9	7.1	816	100.6	6.0	3.6	350	96

Source: SdES 1 Forms.

*Includes 3 holding (120 acres) that have been replanted.

Quality of Rubber Produced

Grade 2 rubber is produced on most of the operating units. 100% Grade 2 rubber is produced on 6 of the 10 holdings whereas a mixture of Grade 2 and a small percentage of Grade 3 is produced on the other 4 holdings. None of the operating units produce Grade 1 or Grade 4 rubber.

Condition of Trees

The trees on this subdivided estate are generally well maintained. Despite the practice of tapping the same trees daily there seems to be no ill-effects. Most of the trees are between 20 and 30 years of age and are likely to be productive for some time to come. Bark condition is good as there is little slaughter tapping. In fact, the holdings generally appear to be well maintained. The ground is free of cover and a visitor receives an overall impression of tidiness.

The subdivided estate is covered by a variety of rubber trees. The oldest seem to have been planted in 1938 (See Subdivional Plan in Appendix ~~F~~) and the youngest in 1957/58. The types of tree vary from TJ1 to the PIL-B-84, the PJL_84 and the PB-86. All these have been approved by the Rubber Research Institute.

Part of the subdivided estate and the actual condition of the trees and land can be seen in Photos. 9 and 10.

LABOUR AND EARNINGS

Labour Situation

The population of each household is widely distributed over a range of combinations, so generalisation is difficult as well as dangerous. Table 5.5 gives the number of persons in each ~~of operators~~ operator's household on Si Rusa Estate.

Wages and Income

Prior to subdivision 7 of the owner operators each earned an average monthly wage of $147. (This rather high average is affected by the fact that one owner operator earned about $300 .) Since subdivision, however, the incomes of owner operators have definitely increased and range from $200 to $400, with an average of $328 per month.

The incomes of direct employees ranged from $80 to $120 per month before subdivision: the average monthly wage being $98. Since working on the subdivided estate they earn an average monthly wage of $126, which again is rather high wage for a tapper to earn, and may be attributed to the system of wage payment.

Photo. 9/ Photo. 10/

The trees on this subdivided estate are generally in good condition. Note the lack of undergrowth.

Photo. 11/

These budgrafted trees are between 3 and 4 years of age. Note the straight lines and the general appearance of good maintenance.

TABLE 5.5

OPERATORS' HOUSEHOLD POPULATION, SI RUSA ESTATE

Adult Males	Adult Females	Children	No. of Instances		
			Own Account	Non-own Account	Total
1	1	-	3	1	4
-	1	-	-	-	-
1	1	1	-	-	-
1	1	2 - 4	-	1	1
1	1	5 & above	-	1	1
-	2	any	-	1	1
2	2	any	-	1	1
3	1 - 2	any	3	1	4
3	3	any	1	-	1

Source: SdES 1 Forms.

Note: Anyone under the age of 15 years is termed a child.

Three of the 6 direct employees are paid a monthly wage, 2 at the rate of $160 per month. This is paid in respect of the extra work involved in replanting, general maintenance of trees, weeding, application of fertilisers, etc. The other three direct employees are solely tappers and are paid on a piece rate which varies from 30 to 32 cents per kati (d.r.c.).

Geographical and Occupational Mobility of Labour

There are only 2 instances of occupational mobility. One was formerly a tin miner and the other a vendor of foodstuffs, but both ~~have~~, at some time, had previous tapping experience. All the other owner operators and direct employees interviewed had had previous tapping experience.

There has been little, if any, geographical mobility as most of the tappers interviewed came from the District of Port Dickson. Only one of the operators interviewed came from outside the district. He formerly lived in Bahau, in the District of Jelubu, State of Negri Sembilan.

Conditions of Work

Of the 6 owner operators interviewed, 5 live in their own houses on the holdings and one lives in a village a couple of miles from the subdivided estate. Telok Kemang The latter is the only owner operator to receive piped water and electricity supplies. The others have no electricity supply and have to rely on well water.

Those owner operators who live on their own holdings have each spent, on an average, about $2,500 on the construction of their houses. (This is inclusive of costs of material and labour.)

E.P.F. Membership

Four of the 7 owner operators interviewed were members of the E.P.F. before subdivision. None contributes at the present time.

Two of the 6 direct employees interviewed contributed about $5 per month to the E.P.F. before subdivision, but again, none contributes at the present time.

Trade Union Membership

One worker was formerly a member of a trade union but he has since discontinued his membership. None of the other employees on Si Rusa Estate has been, or is at the present time, a member of a trade union.

Effects of Subdivision on Labour ~~Conditions~~ + Earnings

Prior to subdivision in 1959, the 37 employees on Si Rusa Estate were provided with the following amenities:-

a) Piped water.

b) Electricity supply.

~~c) A second grade medical practitioner visited the estate.~~

c) A maximum of 7 days sick leave each year and 10 days paid annual holiday.

d) Two acres of land were set aside for the cultivation of food crops.

e) Free medical treatment and serious cases were sent to the General Hospital in Port Dickson at the expense of the estate. A second grade medical practitioner visited the estate.

The provision of most of these facilities ceased with subdivision.

Before subdivision the direct employees were paid at a rate of 25 - 45 cents per sheet/pound of rubber. (This is equivalent to about 33 - 60 cents per kati (d.r.c.). About 10 cents per pound or 13 cents per kati was paid for scrap rubber. The labourers worked a 7 hour day and on an average earned between $55 and $100 per month, depending on the number of days worked.

The entire labour force of 37 was dismissed on subdivision. None has been re-employed on the subdivided estate. On theother hand, none is unemployed because the whole labour force was transfered by the owner to work in Ladang Tersenyum, in the mukim of Pasir Panjang which is also in Port Dickson District.

MARKET STRUCTURE

In all cases investigated the owner, whether he be owner operator or absentee owner, actually markets his own rubber. The owner operators generally sell to a specific dealer, regardless of the current price of rubber.

The owners generally market their rubber at fortnightly or monthly intervals. One owner operator of 19 acres has a monthly output of about 7 to 8 piculs (700 to 800 katis per month), which he sells to a dealer fortnightly. This particular owner markets smoked rubber: all the others sell unsmoked rubber sheets which are, comparatively, of inferior quality.

Each owner uses his own means for transporting the rubber to the dealer. Some use bicycles or cars, while others use private lorries or taxis, depending on individual arrangements between the dealers and the owners of the smallholdin s.

REPLANTING

Ten owners were intervied. They own a total acreage of 192.5 acres, 120 acres of which have been replanted.

These 120 acres consist of 3 holdings; 2 of 50 acres each and 1 of 20 acres. The replanted trees were budgrafted and were about 3 years of age at the time of survey. (Refer to Photo. 11.) The trees have been planted in straight rows to facilitate tapping, the ground is almost barren of any grass and is well weeded and the trees generally are in good condition.

Five other owner operators intend to replant in the immediate future but the remaining 2 owner operators and 3 absentee owners have no immediate replanting plans.

OWNERSHIP

There are in all 7 owner operators and 8 absentee owners. The 7 owner operators live on their holdings and are self-employed. They regard their land as their main, if not their only, source of income. There is no instance of complex ownership or pseudo sub-division.

Each of the 7 owner operators has had previous experience in rubber farming although 2 were in other occupations immediately prior to subdivision. Both of these used savings accumulated from their previous occupations ~~xxxxxxxxxx~~ (one was a tin miner and the other a self employed vendor of foodstuffs) to purchase their rubber land.

Of the other 5 owner operators, 2 used the proceeds from lottery winnings, supplemented by savings, to purchase a $4\frac{1}{2}$ acre and 9 acre plot respectively. Another bought his land with savings accumulated over the years from working on an estate. The fourth owner operator previously had a smallholding in Pegkalan Kempas for which he was offered a good price. This he accepted and with the proceeds bought a 5 acre plot on Sir Rusa Estate. The fifth owner interviewed used his own personal savings, the savings of his son (a taxi driver), and loans from friends to buy a $5\frac{1}{2}$ acre holding which he now works with the help of his family.

Information is not available on how 3 of the absentee owners purchased their holdings. Data on the other 5 reveals that one lives in Seremban town and is an ~~restaurant owner~~ engineer; one is a moneylender, another a shopkeeper, another a mining supervisor and the last is a restaurant owner. Their main sources of finance appear to be savings: 4 of the 5 have had no previous experience in rubber farming. The final owner is well acquainted with the marketing of rubber, which knowledge helps him to realise as high a profit as possible.

LAND VALUES

It has been stated earlier[1] that the whole of Si Rusa estate (326.1 acres) was sold for a total sum of $221,000 and that the average price paid per acre for land on this estate was $650. I would now like to analyse the actual land values, based on information gathered from interviews with new owners and owner operators (on information gathered from Land Office records). ~~(Refer to Table 5.6)~~ These owners paid an average of $759 per acre, which is considerably higher than the average calculated from the Land Office figures. (The average is derived by dividing the sum of the various land values per acre by the total number of owners.) The actual frequency distribution of land values is shown in Table 5.6.

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[1] Refer to Table 4.5, page 84.

TABLE 5.6

LAND VALUES (PER ACRE) OF SUBDIVIDED PIECES OF SI RUSA ESTATE

Land Values (Dollars)	No. of Buyers	Percentage of Total
200 and below 400	2	16.7
400 " " 600	1	8.3
600 " " 800	2	16.7
800 " " 1000	4	33.3
1000 " " 1200	1	8.3
1200 and above	2	16.7
Total	12	100.0

Source: SdES 1 & 3 Forms.

From the above Table it would appear that the mode lies between $800 and $1,000.

CHAPTER VI

CONCLUSION

The following conclusions are based entirely on data obtained from the survey carried out in the districts of Seremban and Port Dickson.

Pattern of Subdivision

A total of 27 estates, covering an area of 11,576.4 acres, have been subdivided and, taking the 2 districts as a whole, ~~the~~ 1957 was the peak year of subdivision ~~was in 1957.~~ In this year 6 estates (3,476.4 acres) were subdivided. It should be noted, however, that the picture is somewhat distorted by the fact that information was not available in certain cases. (Refer to Table 6.1.)

Of the 130 estates in both districts (76 in Seremban and 54 in Port Dickson), 26 have been subdivided since 1956. This constitutes [illegible], or one-fifth, of the total number of estates in the 2 districts.

In terms of acreage, a total of 11,576.4 acres have been subjected to subdivision (6,102 in Seremban and 5,474.4 in Port Dickson). Of the total acreage under rubber in the districts concerned, (153,961 acres), the subdivided area constitutes 7.5% of the total. The average size of subdivided estate in Seremban is 678 acres and in Port Dickson District the average size is 322 acres.

Information is only available on the number and area of subdivided pieces of 12 of the 27 estates subjected to subdivision. These 12 estates, having a total area of 5,891.2 acres, are made up of about 429 subdivided pieces. (These 12 estates include both case studies.) The average size of each subdivided piece is 13.8 acres.

There is a definite pattern in the size distribution of the subdivided pieces. Most of the 429 subdivided pieces are between 5 and 10 acres in area: 149 (35%) are 5 acres in size and 91 (21.3%) are 10 acre holdings.

If 10 acres is taken as a dividing line it can be seen that the majority of smallholdings fall below this limit. In fact 356 pieces (84%) are of 10 acres or less in area. (Refer to Table 6.2.)

TABLE 6.1

PATTERN OF SUBDIVISION IN THE DISTRICTS OF SEREMBAN AND PORT DICKSON FROM 1956 TO 1ST QUARTER OF 1961

Year of Subdivision	Seremban		Port Dickson		Total	
	No. of Estates	Acreage	No. of Estates	Acreage	No. of Estates	Acreage
1956	1	300.8	-	-	1	300.8
1957	3	3,069.3	3	407.1	6	3,476.4
1958	2	432.5	2	421.4	4	853.9
1959	3	2,299.4	1	326.1	4	2625.6
1960	-	-	5	1,900.2	5	1900.2
1961 (1st quarter)	?	-	1	709.5	1	709.5
Not known	-	-	5	1710.1	5	1710.1
Total	9	6,102.0	17	5,474.4	26	11,576.5
Average	1	678.0	1	322	1	445.0

Source: Land Office Records.

TABLE 6.2

FREQUENCY DISTRIBUTION OF SUBDIVIDED PIECES BY SIZE IN THE DISTRICTS OF SEREMBAN AND PORT DICKSON

Size of Piece (Acres)	No. of Pieces				Total	Percentage of Total
	General Studies		Case Studies			
	Seremban	Port Dickson	Seremban	Port Dickson		
0 and below 5	-	7	14	3	24	5.5
5 " " 10	46	126	62	7	241	56.2
10 " " 15	32	25	56	1	114	26.7
15 " " 20	-	1	1	1	3	0.6
20 " " 25	-	28	4	2	34	7.8
25 and above	-	7	4	2	13	3.2
Total	78	194	141	16	429	100.0

Source: Land Office Records, with special reference to subdivision maps.

Note: Only 3 estates are included in the Seremban District general study figures (6 have been omitted) and 7 estates are included in the Port Dickson general study figures (9 estates have been omitted). The total constitutes 12 estates ~~in all~~.

Living and Working Conditions

Generally speaking subdivision has resulted in a cessation of estate services such as free housing, piped water supply, electricity, medical treatment, education, well maintained roads and drainage. The discontinuation of these services is inevitable with complete subdivision. With partial subdivision, when the original estate is still in existence, these essential services are usually provided, although to a lesser extent. Many of the houses have fallen into ruin and are in urgent need of repair.

The smallholders live on the holdings in self-constructed huts which would not meet legal requirements for human habitation. There is a tendency to overcrowding, especially among the smallholders who own small ~~holdings~~ areas of land.

Unemployment

Almost every case of subdivision has resulted in immediate unemployment and the dismissal of workers. The extent varies, of course, with the size of the estate and its labour force. But this unemployment is related to a certain time period and is not permanent in that the dismissed workers usually find alternative jobs. This time aspect is important because in most cases the labourers dismissed on subdivision are able to find alternative employment within a reasonable period of time. This is well illustrated by the Third Mile Estate. On subdivision the majority of the dismissed workers found employment on other estates such as Kirby Estate, Pertang Estate and Atherton Estate, all of which are in the same state but in different district. The labour force even migrated as far as Bahau which is about 50 miles away, and in one instance an ex-worker migrated to an estate in Serdang, Selangor.

Prior to subdivision there was an active labour force of 72 on Sungei Sendayan Estate in the District of Port Dickson. Twenty-five of these workers were retained after subdivision to work on part of the estate. Of the remainder, 18 labourers, constituting 8 families, bought pieces of subdivided land in the same estate and are now self-employed. Thus, 43 of the 72 found alternative employment at very short notice.

The remaining labour force, comprised of 23 Indians and 6 Malays. The 23 Indians all found employment in Bahau, which is about 5065 miles from the estate. Thus, the only unemployed as such were the 6 Malays (3 families) who all "returned to their respective kampongs".

From this it is evident that unemployment is caused by immobility of labour on the part of the displaced labour force. Those who are willing and able to move can find alternative employment because there is a demand for skilled labour.

In short, subdivision has resulted in a redistribution of labour between different districts and occasionally between different states. This mobility of labour involves the disturbance of the worker and his family.

Changes in the Quality of Rubber

A common argument against subdivision is that it results in a deterioration in the standard of production. In the words of the National Union of Plantation Workers "on fragmentation (taken to mean the same as subdivision, although this is not necessarily the case) the quality of the same properties has fallen to below Grade 3"[1] In other words, smallholders in general produce Grade 4 rubber since subdivision, but this includes the whole smallholder population, those who have become smallholders as a result of subdivision as well as those who have acquired their holdings through the alienation of new land.

It would be fair to say that smallholders in general produce a lower grade of rubber since subdivision as high grade rubber can only be produced if proper facilities are available for the processing of the rubber. From the survey, however, it can be concluded that most of the smallholders produce either Grade 2 or Grade 3 rubber: a small percentage produces Grade 1, but it is interesting to note that in no instance is Grade 4 rubber produced. There has, however, been a definite deterioration in the quality of rubber produced by the smallholdings as compared with that produced by the estates. There has been as much as a 6% decrease in the amount of Grade 1 rubber produced and a resultant 6% increase in the amount of Grade 3 rubber produced. The Rubber Research Institute has stated that a smallholder should be able to produce about 480 pounds of rubber per acre annually. If this is the case, then a smallholder producing Grade 3 rubber as opposed to Grade 1 rubber, stands to lose $28.80 per acre per year. Thus, if he owns 10 acres of land, his annual loss, as a result of producing an inferior grade of rubber, would be in the region of $288.

If this is calculated on a national scale, a large sum of money is lost. The Minister of Agriculture and Co-operatives, Inche Abdul Aziz bin Ishak, has said that smallholders are losing $60 million each year as a result of the low quality of rubber produced.[2]

Condition and Maintenance of Trees

The NUPW maintain that new owners (especially sub-contrators) "for the purpose of making profits open two or more cuts in a tree, tap daily and bleed them as much as possible".[3] The survey has revealed that this is not entirely true. The owner operators, on the

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[1] Joint Memorandum of NUPW and AMESU to the Second Enquiry Committee on Fragmentation and Subdivision of Estates.

[2] Talk by Minister of Agriculture and Co-operatives to the Ulu Langat Rubber Co-operative Society. Reported in Straits Times on .

[3] Joint Memorandum of NUPW and AMESU to the Second Enquiry Committee on Fragmentation and Subdivision of Estates, para. 3 (ii)(a).

whole, tap their trees on estate lines and slaughter tapping is only practised when the occasion - the age of the trees - demands it. It has been found that slaughter tapping was practised on old trees, between 40 and 50 years of age, which are uneconomical to maintain, and that the size of the holding was no criterion because even the large 90 acre holding (with its own smokehouse) indulged in slaughter tapping its old trees.

Despite the production of low quality rubber and the decline in the general maintenance of the holdings, the smallholder's operating and production costs are low and he is able to make up to $800 net profit per year.[1] However, this is more often than not his only source of income.

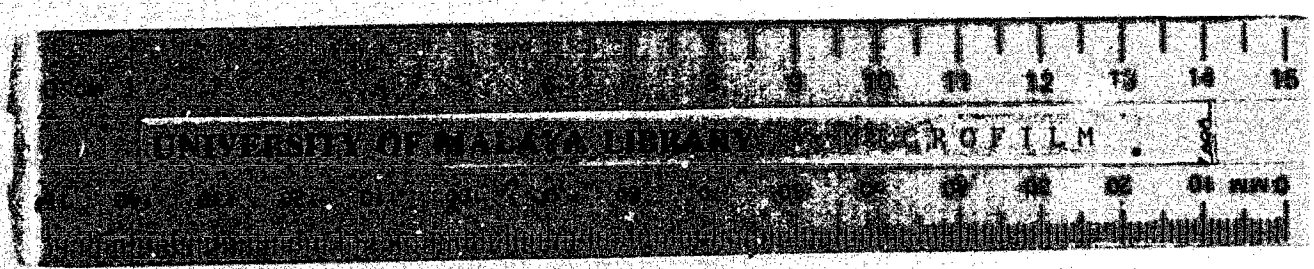
Trade Union Membership

Most of the present employees on smallholdings are non-union members. As a result they have no organised body to protect their interests. This is important, particularly from the direct employees' point of view, as they can be dismissed at the whim and fancy of their respective employers.

APPENDIX I

PLAN A

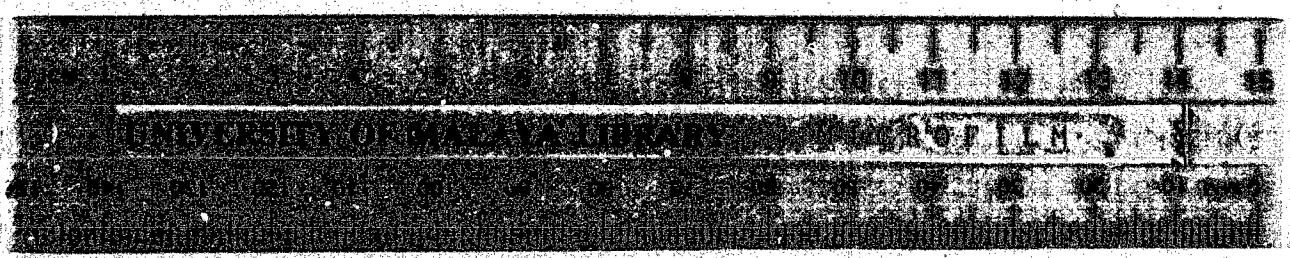
PORPOSED SUBDIVISION OF THIRD MILE ESTATE



APPENDIX II

PLAN B

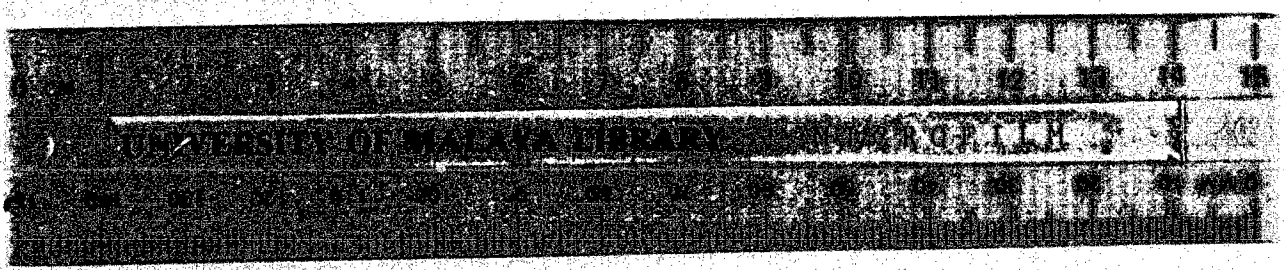
SUBDIVISION OF THIRD MILE ESTATE



APPENDIX III

PLAN C

SUBDIVISION OF THIRD MILE ESTATE



APPENDIX IV

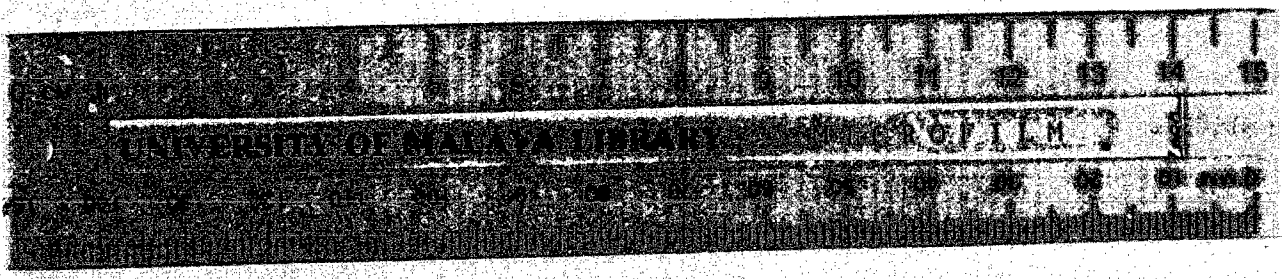
PLAN D

SUBDIVISION OF THIRD MILE ESTATE

APPENDIX V

PLAN E

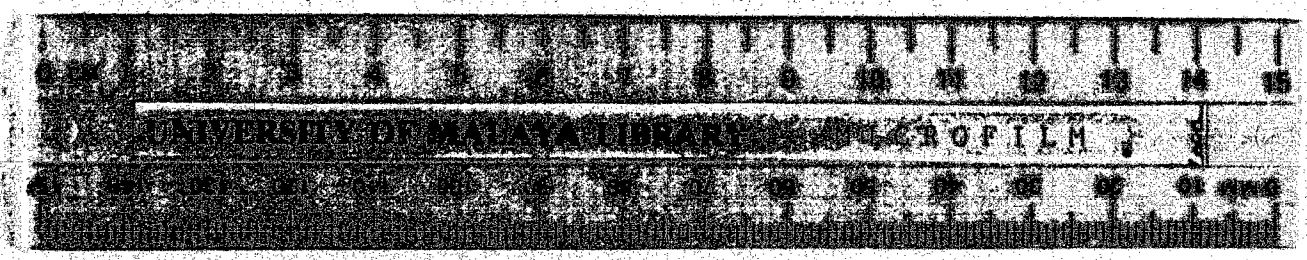
SUBDIVISION OF SI RUSA ESTATE

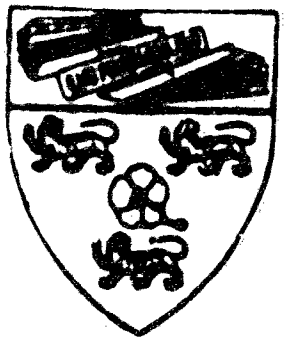


APPENDIX VI

PLAN F

SUBDIVISION OF SI RUSA ESTATE





TAMAT